
TENNESSEE DEPARTMENT OF
FINANCIAL INSTITUTIONS



28TH ANNUAL REPORT
DECEMBER 31, 2001

TENNESSEE DEPARTMENT OF
FINANCIAL INSTITUTIONS



AGENCY OVERVIEW

MISSION AND VISION STATEMENTS

MISSION STATEMENT

The primary statutory mission of the DEPARTMENT OF FINANCIAL INSTITUTIONS is to provide the citizens of Tennessee with a sound system of state-chartered financial institutions by:

- *providing for and encouraging the development of depository financial institutions while restricting their activities to the extent necessary to safeguard the interest of depositors; and*
- *seeking to ensure compliance by both depository and non-depository financial institutions with governing laws and regulations.*

The Department is further committed to the provision of quality constituent services to the institutions it examines, supervises and regulates; the citizens of the State of Tennessee; members of the Tennessee General Assembly and of Congress; the Office of the Governor and other agencies of the state and federal governments; other state and federal financial institutions' regulatory agencies; and to the provision of quality management of its personnel and fiscal resources.

VISION STATEMENT

We seek to sustain an environment in the Great State of Tennessee which fosters a feeling of confidence and security among its citizens in regard to their choice of financial institutions. We advocate the continuance of the dual chartering system which allows us to provide a financial regulatory structure which more efficiently meets the needs and economic welfare of the residents of our State. The management of the department strives to foster a sense of job satisfaction and ample career path opportunities to assure we are adequately staffed with well qualified, experienced, and long-tenured employees. As a strong team, we can be more diligent, efficient, effective, responsive, and innovative in administering our duties. We continuously strive to make the Tennessee state charter the charter of choice and the Department of Financial Institutions the preferred financial services regulatory agency in the State of Tennessee.

LETTER FROM COMMISSIONER FRED R. LAWSON



It is with great pleasure that I present to you this **Twenty-eighth Annual Report of the Department of Financial Institutions**. On the following pages, a summary of the accomplishments of each of the operating divisions of this Department, which were numerous, is presented together with a synopsis of the operating results of the industries that each Division regulates.

Our Country's economy suffered considerably during 2001. As the nation slipped into its first recession in over ten years, business conditions fared poorly as evidenced by the high unemployment level, the high rate of bankruptcies, and the high volume of business failures. History-making monetary easing by the Federal Reserve helped keep our financial institutions strong and profitable.

For all of us, 2001 will live on in our memories. The assault on our own homeland and the senseless loss of so many innocent lives has forever changed us all. Our sense of security and safety were dealt a devastating blow, but as always, this Nation rallied in this time of crisis, and we are now seeing some stabilization in many areas. Our Department continues to be fully committed to assuring that Tennessee's financial institutions are financially sound, that they provide quality service, and that our citizens feel safe and secure in their choice of institutions.

Staff of the Department of Financial Institutions worked hard in 2001 to fulfill our mission, and I am very proud to present this Report reflecting those achievements.

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

HEADQUARTERS PERSONNEL - NASHVILLE

(STAFFING REFLECTED AS OF 12-31-01)

COMMISSIONER'S OFFICE

Fred R. Lawson, Commissioner
Kayce Cawthon-Stoker, Administrative Assistant, Records Officer
Marian E. Garland, Executive Administrative Assistant

LEGAL DIVISION

Greg Gonzales, General Counsel
Tina G. Miller, Attorney
Marsha P. Anderson, Attorney
David G. Taylor, Attorney
Paula J. Cagle, CPS, Legal Assistant

ADMINISTRATIVE AND SUPPORT SERVICES DIVISION

Harry P. Linn, CFE, Assistant Commissioner

HUMAN RESOURCES

Cynthia L. Wilson, Personnel Analyst

TRAINING

Dennis H. Shipp, CEM, CFE, Program Administrator

FISCAL SERVICES

Carolyn G. Merhar, Fiscal Officer
Douglas J. Lapka, Accountant
Barbara A. Jones, Administrative Services Assistant
Diane Speyerer, CPS, Administrative Secretary

INFORMATION SYSTEMS

William B. Wooten, CISA, CDRP, CSP, Director
Mary E. Wilhite, CNA, Information Resource Specialist
Patti A. Miller, Programmer Analyst

CREDIT UNION DIVISION

Harry P. Murphy, CFE, CSCUES, Assistant Commissioner
DeLynn D. Hancock, Executive Secretary
Paul L. Foster, CSCUES, Manager
Stanley H. Griffin, Administrative Secretary

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

HEADQUARTERS PERSONNEL - NASHVILLE

(STAFFING REFLECTED AS OF 12-31-01)

BANK DIVISION

Derek L. Carrier, Assistant Commissioner
Pansy Leech, Administrative Services Assistant

APPLICATIONS

Curtis F. Faulkner, Program Administrator
Debra C. Grissom, Administrative Services Assistant

BANK EXAMINATIONS & FINANCIAL ANALYSIS

James S. Douthit, Chief Administrator
Paula H. Miller, Administrative Services Assistant
Storm A. Miller, Financial Analyst
Joyce Simmons, CPA, Financial Analyst

TRUST EXAMINATIONS

Vivian Y. S. Lamb, CEM, Program Administrator

COMPLIANCE DIVISION

Roger W. Thomas, CFSA, Assistant Commissioner
Jean A. Rosalez, Executive Secretary

APPLICATIONS

Carl Scott, CFSA, Director
Betty Preston, Administrative Secretary
Stefanie S. Donnelly, Administrative Secretary

CHECK CASHING/DEFERRED PRESENTMENT

Steven E. Henley, CPA, Director
Bettye Osborne, Administrative Secretary

EXAMINATIONS

Nita H. Taylor, Director
Lisa J. Gregg, Administrative Secretary

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

EXAMINATION PERSONNEL

(AS OF 12-31-01)

BANK DIVISION EXAMINERS

West Tennessee District

Shirley Sanderson, CEM, – Manager

Off-Site Monitoring Supervisor – Phil Stafford

Trust Examinations Specialist – Bruce Allen, CEIC, CFE, IV

62 Banks

\$7.8 Billion in Assets

Terry Warren, CEIC, Supervisor

Vicki Ivey, CEIC, IV

Dana Owen, CEIC, Certified Fraud Exam., IV

Robert Prather, CEIC, IV

Robert Shannon, CEIC, IV

Roxanne Taylor, CEIC, IV

Danny Nolen, CEM, Supervisor

Jerry Davis, CEIC, IV

Laurie Durham, CEIC, IV

Debora King, CEIC, IV

Timothy Runions, CEIC, IV

Middle Tennessee District

Todd Rice, CEM – Manager

Off-Site Monitoring Supervisor – Joe P. Boaz, CEM

Trust Examination Specialist – Mike Sisk, CEIC, IV

53 Banks

\$6.4 Billion in Assets

Irving B. Ginsberg, CEM, Supervisor

Sherry Cassetty, CEIC, IV

Lee Pedigo, IV

David Tate, II

Todd Trulove, CEIC, AFE, Supervisor

Clyde McClaren, IV

Kenneth Hensley, II

John Hudson, CEIC, IV

East Tennessee District

Kenneth Kelley, CEM – Manager

Off-Site Monitoring Supervisor – Louella H. McElroy, CEM

Trust Examination Specialist – Wade McCullough, CEIC, CFE, IV

47 Banks

\$7.9 Billion in Assets

Chester Justice, Jr., CEM, Supervisor

Robin Culbertson, CEIC, IV

Jason B. Wilkinson, CEIC, IV

Timothy Poteet, CEIC, IV

Traci T. Bell, I

Claude N. Huff, Jr., CEM, CFE, Supervisor

Jonathan Piper, CEIC, IV

Teresa Weaver, CFE, CEIC, IV

Alfred Hacker, III

Gretchen Richardson, I

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

EXAMINATION PERSONNEL

(AS OF 12-31-01)

CREDIT UNION EXAMINERS

Total Assets in Billions - \$4.6
Total Number of Credit Unions – 149

West/Middle Tennessee District

77 Credit Unions
\$2.3 Billion in Assets

Randall D. Means, V, Supervisor
Alan Gober, CFE, CEIC, CSCUE, IV
Steve Eddings, CFE, CEIC, CSCUE, IV
Tom Harper, CSCUE, IV
Amber Brown, I

East Tennessee District

63 Credit Unions
\$2.3 Billion in Assets

John R. Shires, CSUES, V, Supervisor
Bill Cave, CEIC, CFE, IV
Shane Hardin, CFE, CSCUE, IV
Lance Hogelin, CSCUE, IV
Greg Perry, CFE, CSCUE, IV
Dwight Ward, II

COMPLIANCE DIVISION EXAMINERS

West

David Reynolds, CFSA, IV
Patrick Ryan, CFSA, III
Marilyn Schroepfel, III

Middle

Robert Campbell, I
Robert Doyle, III
Gene Smith, CFSA, III
Bart Daughdrill I
Cathy Wilkerson I
Alan Smith I

East

Chris Adams, CFSA, Certified
Fraud Examiner, III
Frank Barnes, CFSA, II
Brian Williams, II
Jane Williams, CFSA, III
Dennis Woodmore, CFSA, III

Key to Staff Title Designations:

“AFE” Accredited Financial Examiner; “CDRP” Certified Disaster Recovery Planner; “CEIC” Certified Examiner-in-Charge; “CEM” Certified Examinations Manager; “CFE” Certified Financial Examiner; “CFSA” Certified Financial Services Auditor; “CISA” Certified Information Systems Auditor; “CPA” Certified Public Accountant; “CPS” Certified Professional Secretary; “CSP” Certified Systems Professional, “CNA” Certified Novell Administrator, “CSCUE” Certified State Credit Union Examiner, “CSCUES” Certified State Credit Union Examiner Supervisor. *Roman Numerals denote field examiner level.*

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

TOTAL NUMBER OF STATE-CHARTERED INSTITUTIONS AND LICENSEES

CHARTERS

	December 31, 2001	December 31, 2000
Commercial Banks/Savings Banks	162	169
Trust Companies	11	13
BIDCOs	3	3
Credit Unions	142	149
TOTAL NUMBER OF CHARTERS	318	334

LICENSEES

Industrial Loan and Thrift Companies	772	842
Insurance Premium Finance Companies	76	73
Mortgage Companies	1,066	1,113
Money Transmitters	36	33
Deferred Presentment	1,068	968
Check Cashers	309	300
TOTAL NUMBER OF LICENSEES	3,327	3,329

TENNESSEE DEPARTMENT OF
FINANCIAL INSTITUTIONS



**ADMINISTRATIVE AND
SUPPORT SERVICES**

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

ADMINISTRATIVE AND SUPPORT SERVICES DIVISION

The **ADMINISTRATIVE AND SUPPORT SERVICES DIVISION** administers the Department's budget and oversees fiscal services, human resources, training and development, and information systems. The Department receives no Federal money or state taxpayer money and is fully funded with its revenue derived by fees from the financial entities regulated and supervised by the Department.

At the end of FY01, the Department had a surplus of \$613,438.16. A rebate of \$337,391.00 was sent to the banks in accordance with T.C.A. §45-1-118(d)(2) and \$276,047.16 reverted to the State's General Fund.

Department turnover was six percent for CY2001 of which two percent represented field examiner turnover. The average tenure of the Department's field examining force is now 13.4 years for Bank examiners, 13.2 years for Credit Union examiners, and 6.7 years for Compliance examiners. The Department continues to work with both the Department of Personnel and the Department of Finance and Administration in attempts to provide an improved career path with salary progression for our examining personnel.

This division's accomplishments in 2001 came mainly in the area of expanded information technology as it relates to the department's homepage on the Internet. We made available to our department employees our administrative policies and procedures, along with the Credit Union Division's examination policies and procedures via our homepage on the Internet. All Compliance Division's licensees names and locations can be downloaded as an Excel file from our homepage and the department's applications for various licenses continue to be expanded and are available on the Internet. The last two issues of our annual report as well as a lot of other helpful information is available at our website <http://www.state.tn.us/financialinst>. We are currently operating a network and are in the process of migrating all PC's to Windows 2000.

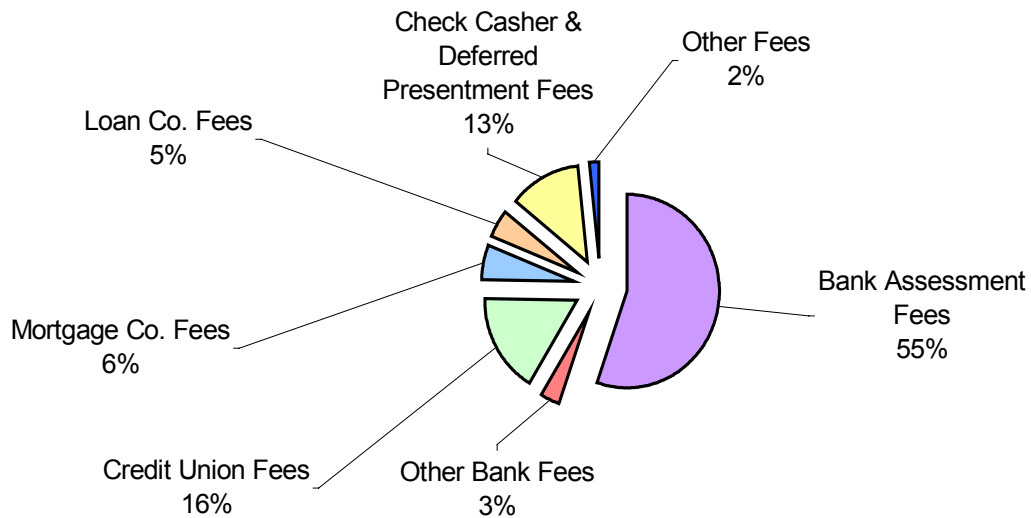
The continued development and maintenance of qualified examining staff is one of our major priorities. To ensure value, the department's training needs are annually assessed and budgeted. The majority of the structured training curriculum is acquired through external training sources such as the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Board of Governors of the Federal Reserve System, the Educational Foundation of State Bank Supervisors, the National Association of State Credit Union Supervisors, the Federal Financial Institutions Examination Council, the National Association of Consumer Credit Administrators, as well as other sources.

In 2001, training was cut back substantially, due to the state's budgetary problems where most out-of-state travel was restricted. However, our personnel were able to attend 130 programs, of which 82 programs were held within the State of Tennessee. One examiner finished the third year of The Southern Trust school while two others were attending the second year of the graduate Banking Schools of LSU and Colorado Graduate Banking School. One trust examiner attended the first year of the ABA Graduate Trust School. One online course was taken on the subject of fraud through the Conference of State Bank Supervisors. Through the help of the Federal Reserve Bank in Atlanta, we were able to conduct an Internal Routines and Controls School in our Nashville Field Office. We were also fortunate with help from the Tennessee Bankers Association to conduct a school on UCCI Revisions to Article 9. We were only able to have an abbreviated Examiners conference of one day in 2001. This conference was held in Nashville in November.

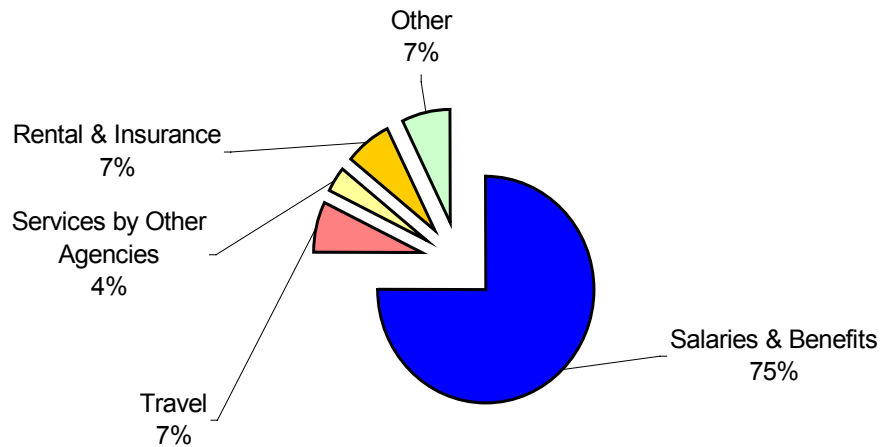
TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

Fiscal Year 2000 - 2001

FUNDING SOURCES



EXPENDITURES



TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

EXPENDITURE AND FUNDING SOURCES FY 2000-2001

REVENUES

Appropriations - Bank Assessment Fees	\$4,632,092.00
Other Banking Revenue	281,873.38
Credit Union Fees	1,376,905.14
Money Order Fees	98,016.00
Loan Company Fees	408,700.99
Insurance Premium Finance Company Fees	29,775.00
Mortgage Company Fees	490,606.00
Check Cashers Fees	301,810.00
Deferred Presentment Fees	745,305.50
Miscellaneous	1,875.99

TOTAL REVENUES **\$8,366,960.00**

EXPENDITURES

Personal Services	\$4,732,186.37
Employee Benefits	1,078,604.09

TOTAL PAYROLL **\$5,810,790.46**

Travel	\$562,545.77
Printing, Duplication and Film Processing	42,229.43
Communication & Shipping Costs	29,634.01
Maintenance, Repairs & Services	5,734.41
Professional & Administrative Services	85,457.15
Supplies	170,768.06
Rentals & Insurance	537,068.68
Awards & Indemnities	2,392.87
Grants & Subsidies (Training)	33,369.50
Lost Discounts	110.46
Equipment	9,002.46
Professional Services by Other Departments	273,871.58
Administrative Overhead	190,547.00

TOTAL OTHER **\$1,942,731.38**

TOTAL EXPENDITURES **\$7,753,521.84**

EXCESS OF REVENUE OVER EXPENDITURES **\$613,438.16**

Rebated to Banks	\$337,391.00
Reverted to General Fund	\$276,047.00

TENNESSEE DEPARTMENT OF
FINANCIAL INSTITUTIONS



LEGAL DIVISION

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

LEGAL DIVISION

The **LEGAL DIVISION** provides legal advice and representation for the Department. This Division consists of a General Counsel, two staff attorney positions, and a Legal Assistant.

The Department's lawyers advise the Commissioner and departmental personnel in all legal matters affecting the Department. They work with regulated entities and the general public in addressing legal issues. They also work closely with the Governor's Office and the Tennessee General Assembly on legislative issues affecting financial institutions. The Legal Division also assists in the coordination of enforcement initiatives with other federal and state regulators as well as with various law enforcement agencies.

The Legal Division was heavily involved in the 2001 Legislative session as the Department's legislative liaison by tracking numerous bills, working closely with the Governor's Office, the General Assembly, and other groups sponsoring legislation which impacted the Department. This Division provided assistance to our operating divisions on issues involving bank and trust company operations including interstate transactions, bank and credit union applications, money transmission, check cashing, deferred presentment, mortgage companies, and credit union field of membership, plus several other issues. The Legal Division is significantly involved in the day-to-day decision making process of the Department.

BILLS IMPACTING THE DEPARTMENT

Public Chapter	54
Amends	T.C.A. Title 45, Chapters 1 and 2
Effective Date	April 4, 2001

Public Chapter 54 is essentially a clean up and modernization law. In part, it addresses the federal Gramm-Leach-Bliley financial modernization law ("Gramm-Leach") passed by Congress in 1999. This law updates or clarifies a number of provisions in the Banking Act and one provision in the Savings Bank Act by relieving regulatory burden and making a number of technical amendments. The following summarizes the major amendments:

- Clarifies the authority of the Commissioner of Financial Institutions to share confidential bank examination information with other regulators. This is particularly important in light of the "functional regulation" scheme to be implemented under Gramm-Leach.
- Conforms the statutory formation of new state banks to existing practice.
- Updates the Commissioner's authority to deal with potential employee conflicts of interest by authorizing the Commissioner to establish clear ethical guidelines and when employees must be recused from official duties. This is important in lieu of consolidations in the financial services industry which were not contemplated when the original law was passed in 1969.
- Permits 1 and 2 rated banks to file a written notification for a new branch rather than an application.
- Conforms the Banking Act to federal law and state regulatory practice by recognizing that out of state federally chartered institutions, and out of state chartered institutions on a reciprocal basis, may establish ATMs in Tennessee. However, the prohibition against non-banks establishing ATMs on their own is retained.

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

- Permits state banks to comply with state law relative to the submission of call reports by filing the call report as required by federal regulatory agencies.
- Provides greater operating clarity and flexibility for state banks by updating sections relating to bank capital, dividends, external auditing requirements, loans to officers/directors, charter amendments and lending under the Credit Card Bank Act.
- Clarifies the Savings Bank Act and reinforces the position that acquiring substantially all of the assets of a savings bank without acquiring the charter renders the institution's certificate of authority null and void.

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Public Chapter **165**
Amends **Title 45, Chapters 5, 13, and 17**
Effective Date **July 1, 2001**

Public Chapter 165 amends both the Industrial Loan and Thrift Companies Act (TILT Act) and the Residential Lending Brokerage and Servicing Act (Mortgage Act). The following briefly summarizes the laws most significant provisions.

- Consolidates all mortgage brokering activity under the Mortgage Act. Because, under prior law, some mortgage brokers operated under the TILT Act and others operated under the Mortgage Act, confusion existed among lenders to whom mortgage loans were brokered regarding what loan fees were permissible.
- Adds a bond requirement for TILT registrants. There was no bond requirement. Thus, there was no protection for a consumer in the event, for example, a TILT registrant collected loan fees in advance and subsequently went out of business.
- Increases the bond amount for Mortgage Act licensees.
- Requires licensees/registrants under both Acts to report the occurrence of events such as felony indictment of an officer or director, the initiation of revocation proceedings by another state, etc., thereby alerting the commissioner to potential problems of licensees/registrants.
- Authorizes commissioner to suspend or bar individuals from employment, management or control of licensees/registrants under both Acts. Under former law, there was nothing to prevent a wrongdoer from leaving one licensee/registrant to simply go to work for another licensee/registrant.
- Provides greater operating flexibility by adding sections to both Acts relating to changes of control and by allowing Mortgage Act licensees/registrants to maintain records at any location.
- Cleans up and clarifies both Acts by making a number of technical amendments relating to time periods for filing renewal applications, reporting changes of officers, directors and addresses, affording hearing opportunities, and record retention requirements.

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TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

Public Chapter **5**
Amends **T.C.A. Section 45-17-112**
Effective Date **July 1, 2001**

Public Chapter 5 allows deferred presentment servicers to collect court costs and handling charges on checks returned for insufficient funds, on closed accounts or because of a stop pay order. These additional handling fees and court costs would not apply if the customer pays the full amount of the check within 10 days of receiving notice from the licensee. Attorney's fees relating to collection of the check are not permitted.

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Public Chapter **184**
Amends **T.C.A. Section 56-37-111**
Effective Date **July 1, 2001**

Public Chapter 184 amends TCA §56-37-111(a) relative to Premium Finance Companies by specifying penalties to be imposed on an insurer for failing to timely remit an unearned premium.

It provides that an insurer, who fails to timely remit the unearned premium, shall be liable for any interest or finance fees assessed against the policy holder.

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Public Chapter **156**
Amends **Title 45, Chapter 10**
Effective Date **May 3, 2001**

Public Chapter 156 amends TCA, Title 45, Chapter 10 relative to financial records privacy. Chapter 10 generally addresses whether a "financial institution" may disclose "financial records" to third parties. Section 45-10-103 establishes when a financial institution may disclose protected information without obtaining the authorization of the customer or under a lawful subpoena. Public Chapter 156 adds an item authorizing a financial institution to disclose records to the extent permitted by the federal Gramm-Leach Bliley Act passed by Congress in 1999. That federal law specifically addresses privacy issues by requiring the establishment of privacy policies, when privacy notices must be given and requiring when institutions must give customers an opportunity to opt-out of disclosure of customer information to unaffiliated third parties.

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Public Chapter **140**
Amends **Title 45, Chapters 2 and 3**
Effective Date **July 1, 2001**

Public Chapter 140 amends the Tennessee Banking Act to permit out-of-state banks to establish de novo branches in Tennessee. This law allows out-of-state banks to simply establish a branch in Tennessee, rather than having to acquire a branch, if the other state in question will allow Tennessee banks to do the same. A de novo branch is defined as essentially one where the branch is originally established by the bank and is not one that is obtained by acquisition or as a result of conversion or merger. The Tennessee Savings and Loan Act is also amended at T.C.A. Section 45-3-301 to clarify that out-of-state savings and loan associations and savings banks may also establish de novo branches in Tennessee if the other state in question will permit Tennessee savings institutions to establish branches there.

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

RULEMAKING

Amendment to Chapter 0180-7

Rules of Practice: Applications, Instructions, Forms, Reports of State Banks and Schedule of Application Fees for State Banks, BIDCO's, Savings Banks and Trust Companies

Effective Date: February 28, 2001

Relevant changes to Chapter 0180-7 are as follows:

- Establishes fees authorized by the 1999 legislation governing trust companies.
- Increases fee from \$1500 to \$3000 for an application for a merger where the resulting institution will be a state chartered bank, state chartered savings bank, state trust company, or state BIDCO and any change of control application.
- Sets a flat fee of \$1000 for an application by a state bank, savings bank, or state trust company to engage in securities activities.
- Makes it clear that subscription proceeds collected from subscribers in new banks must be placed in an escrow account.
- Clarifies that when substantially all of a bank's assets are purchased without acquiring a bank's charter, the bank's certificate of authority is null and void.
- Provides that, in a merger, where an interim bank is the surviving bank, the interim bank takes the age of the existing bank.

New Rule – Chapter 0180-29

Credit Union Field of Membership Expansions

Effective Date: November 28, 2001

Essentially, this rule puts into practice many of the policies the Department has utilized in approving field of membership amendments and outlines the application requirements.

TENNESSEE DEPARTMENT OF
FINANCIAL INSTITUTIONS



BANK DIVISION

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

BANK DIVISION

The **BANK DIVISION** has legal responsibility for assuring the Tennessee state-chartered banking system runs on a safe and sound basis. In its supervisory role, the Bank Division periodically examines the financial soundness of all state-chartered banks, savings banks, and non-depository independent trust companies. Bank examiners perform evaluations of each institution's assets, liabilities, income and expenses; monitor compliance with governing laws and regulations; and rate the effectiveness of the institution's management. The adequacy of capital is assessed to assure the protection of depositors. In addition, examiners review the Information Technologies functions of state-chartered financial institutions for compliance with generally accepted Information Technologies practices and for adherence to departmental regulations. Bank Division staff also examine Business and Industrial Development Corporations (BIDCOs) for compliance with governing statutes, investigate consumer complaints, and evaluate applications for new institutions, branches, expanded financial activities, and corporate reorganizations. At year-end 2001, the Bank Division oversaw the affairs of one hundred seventy-six financial institutions, consisting of one hundred sixty-two banks, three BIDCOs, and eleven independent, non-depository trust companies.

The department met the statutory obligation of examining all institutions on either a twelve-month or an eighteen-month basis. This was accomplished through coordination with federal banking regulators.

BANKS

At year-end 2001, consolidated total assets of our Tennessee state-chartered banks totaled \$22.1 billion, representing a \$0.2 billion increase over prior year-end. Excluding those banks that have been organized less than two years (DeNovo banks) the average annualized asset growth rate was 10.74%.

At year-end 2001, Tennessee state-chartered banks had consolidated capital totaling \$2.1 billion. Our banks, overall, remain well capitalized and profitable.

Tennessee's economic landscape was altered dramatically during 2001, resulting in perhaps the most challenging environment in a decade. Declining Net Interest Margins combined with rising provisions to the Allowance for Loan and Lease Losses led to lower returns on assets and returns on equity for most of the Tennessee state-chartered banks. The Return on Average Assets (ROAA) fell to 0.84 percent as of December 31, 2001, compared to 1.04 percent a year earlier. Overall, state-chartered banks ended the year with an average past due ratio of 3.94%, up fifty-four basis points from prior year-end.

Our state-chartered banks, as a whole, are capably positioned, strategically and financially, to meet new opportunities in the changing economic and political environments and continuing technological and financial innovations.

TRUST COMPANIES

At year-end 2001, the Department supervised 11 independent, non-depository trust companies. These companies reported consolidated total assets of \$61.6 million up 84% from \$33.4 million reported at year-end 2000. This substantial increase is represented principally by the capitalization of goodwill at one trust company whose parent was acquired by a multi-bank holding company. With trust assets under management of \$5 billion, their aggregated total income for the year declined 60% to \$3.1 million from \$7.1million reported in 2000.

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

BUSINESS AND INDUSTRIAL DEVELOPMENT CORPORATIONS (BIDCOs)

Tennessee Code Annotated, Section 45-8-225, requires a report to be published annually that summarizes the accomplishments of the various BIDCOs operating in Tennessee. At the end of 2001, the Department supervised the operation of three BIDCOs: (1) Tennessee Business and Industrial Development Corporation, (2) SecurAmerica Business Credit, and (3) FINOVA Mezzanine Capital. Two of the three BIDCOs made no loans during 2001. The other company provided financing totaling \$3,990,000 to six (6) small businesses, preserving or creating 169 jobs. A summary analysis of the number and dollar amount of loans extended to certain broad categories of industries is detailed as follows:

Category	Number	Dollar Amount
Manufacturing	02	\$ 2,090,000
Transportation/Communication	01	\$ 150,000
Retail	<u>03</u>	<u>\$ 1,750,000</u>
TOTAL	06	\$ 3,990,000

SUMMARY COMMENTS

The Division strives to maintain the highest professional standard while operating its programs and activities as efficiently as possible. A wide range of analytical activities is used to evaluate the financial institutions' practices and their financial soundness. Economic and financial systems complexities require that our staff be highly knowledgeable and trained to deal with all issues facing our regulated financial institutions. The Division strives to maintain open-door communications with the representatives of our regulated institutions, striving for State Charters to be the Charters of Choice.

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

NEW CHARTERS AND CORPORATE REORGANIZATIONS

BANK DIVISION APPLICATION ACTIVITIES 2001

NEW BANKS OPEN

DATE OPENED

NAME OF BANK

02-23-2001	Community Bank of the Cumberlands, Jamestown, Tennessee
03-05-2001	Cumberland Bank and Trust, Clarksville, Tennessee
04-30-2001	Bank of the South, Mt. Juliet, Tennessee
07-09-2001	Bank of Greeneville, Greeneville, Tennessee
12-17-2001	PrimeTrust Bank, Nashville, Tennessee

NEW TRUST COMPANIES OPEN

DATE OPENED

NAME OF TRUST COMPANY

02-26-2001	Cumberland Trust and Investment, Nashville, Tennessee
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BANK MERGERS

DATE OF MERGER

NAME OF INSTITUTIONS

01-27-2001	Bank of Huntingdon, Huntingdon, Tennessee merged with and into First Bank, Lexington, Tennessee
03-09-2001	First Volunteer Bank of Middle Tennessee, Lawrenceburg, Tennessee merged with and into First Volunteer Bank of Tennessee, Chattanooga, Tennessee
03-23-2001	Cleveland Bank and Trust Company, Cleveland, Tennessee merged with and into First Tennessee National Association, Memphis, Tennessee
04-06-2001	Peoples Bank, Barretville, Tennessee merged with and into Trustmark National Bank, Jackson, Mississippi
04-27-2001	Peoples and Union Bank, Lewisburg, Tennessee merged with and into First Farmers and Merchants National Bank, Columbia, Tennessee
05-18-2001	First Volunteer Bank of the Upper Cumberlands, Jamestown, Tennessee merged with and into First Volunteer Bank of Tennessee, Chattanooga, Tennessee
07-13-2001	BankFirst, Knoxville, Tennessee merged with and into Branch Banking and Trust Company, Winston-Salem, North Carolina

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

BANK MERGERS (continued)

DATE OF MERGER

NAME OF INSTITUTIONS

07-27-2001	First Volunteer Bank of East Tennessee, Jacksboro, Tennessee merged with and into First Volunteer Bank of Tennessee, Chattanooga, Tennessee
08-13-2001	First Vantage Bank, Knoxville, Tennessee merged with and into National Bank of Commerce, Memphis, Tennessee
11-09-2001	Century South Bank of Polk County, Copperhill, Tennessee merged with and into Branch Banking & Trust Company, Winston-Salem, North Carolina
12-14-2001	Nashoba Bank, Germantown, Tennessee merged with and into Trustmark National Bank, Jackson, Mississippi
12-28-2001	First Bank and Trust Company of Tennessee, Johnson City, Tennessee merged with and into The First Bank and Trust Company, Lebanon, Virginia

TRUST COMPANY VOLUNTARY CORPORATE TRANSACTIONS

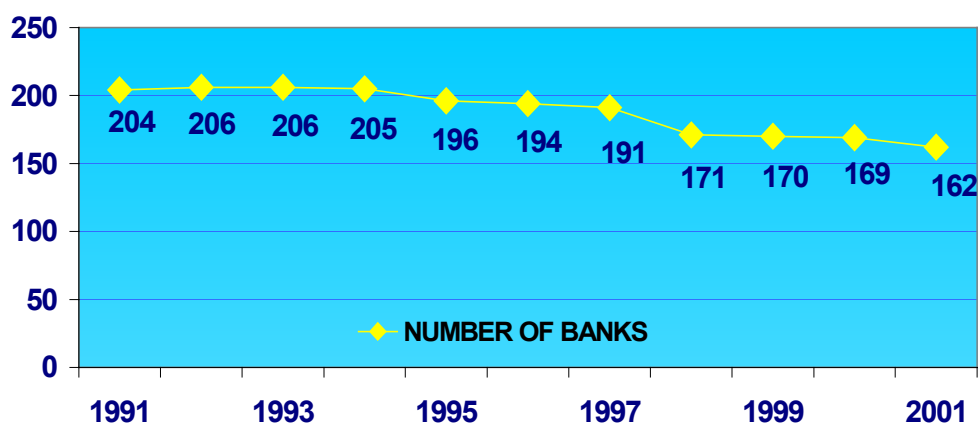
01-22-2001	Franklin American Trust Company, Franklin, Tennessee, was dissolved and all remaining assets liquidated by Order of Court
02-01-2001	Morgan Trust Company, Memphis, Tennessee Voluntary Termination of Charter After Administrative Dissolution on 3-17-00 and Voluntary Transfer of Fiduciary Accounts to Morgan Keegan Trust Company, FSB in April 2000.
07-13-2001	BankFirst Trust Company, Knoxville, Tennessee merged with and into Branch Banking and Trust Company, Winston-Salem, North Carolina

100% PURCHASE AND ASSUMPTION TRANSACTIONS

12-13-2001	Bank of Commerce, Trenton, Tennessee whole bank purchase and assumption of Peoples State Bank of Commerce, Grant, Alabama.
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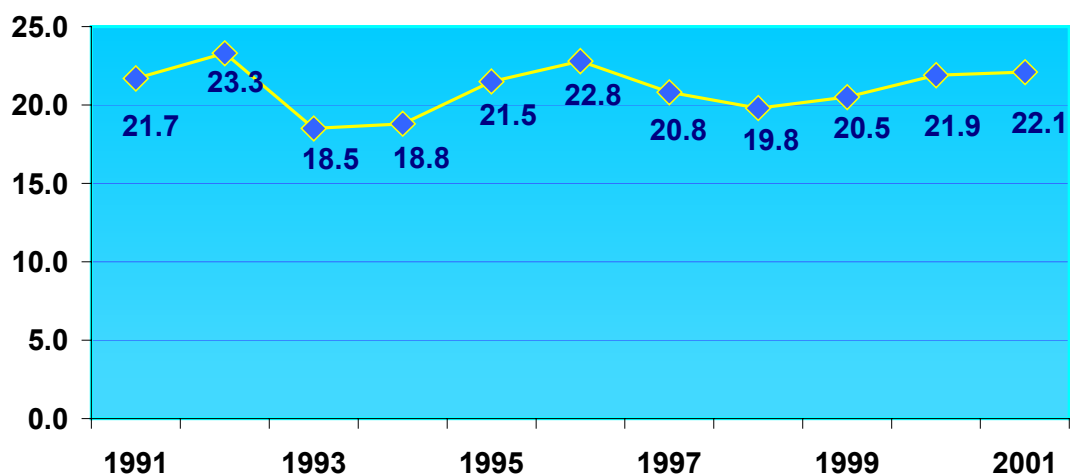
TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

STATE-CHARTERED BANKS IN TENNESSEE



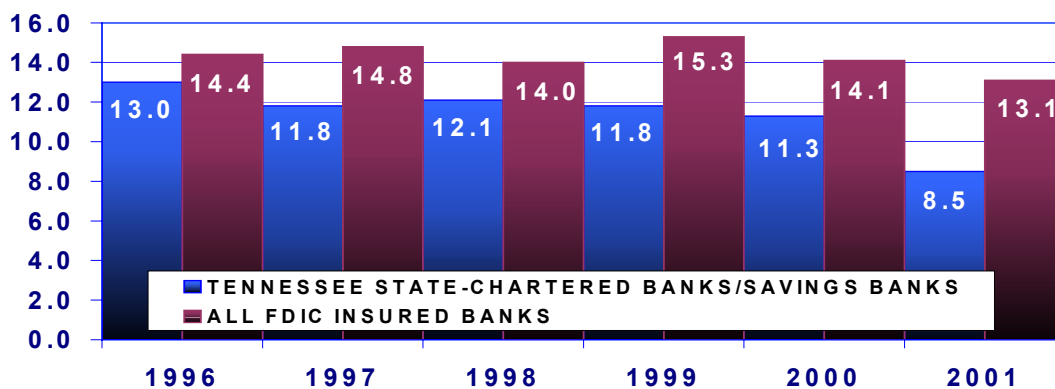
ASSETS OF STATE-CHARTERED BANKS IN TENNESSEE

(IN BILLIONS)

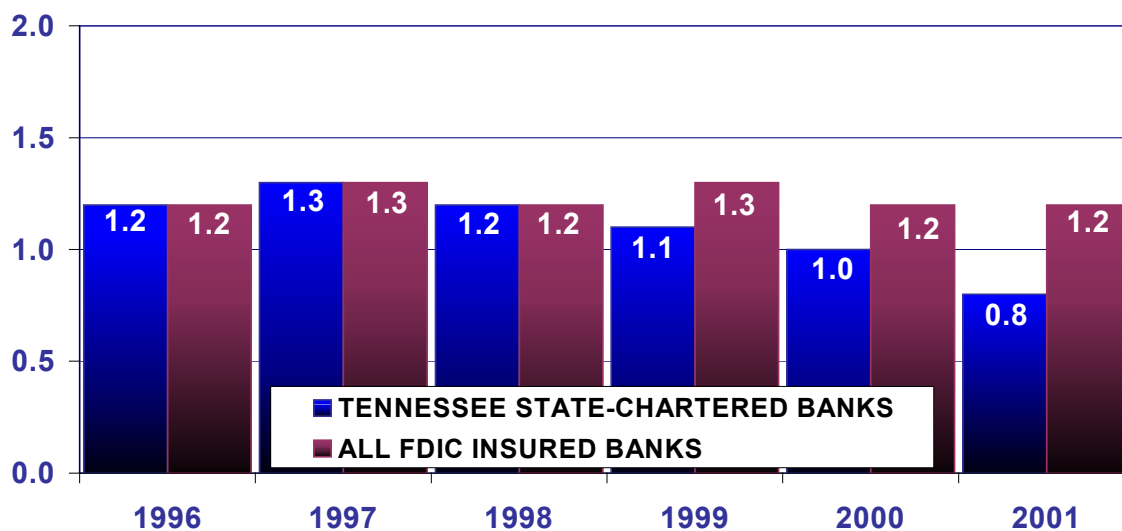


TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

RETURN ON EQUITY



RETURN ON ASSETS



TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

KEY BANK RATIOS

(December 31, 2001)

CITY	INSTITUTION	CORE CAPITAL (LEVERAGE) RATIO	NET LOANS TO DEPOSITS RATIO	NET LOANS TO ASSETS RATIO	ALLOWANCE FOR LOAN LOSSES RATIO	NET INCOME TO AVERAGE TOTAL EQUITY RATIO	NET INCOME TO AVERAGE TOTAL ASSETS RATIO
ADAMSVILLE	Farmers & Merchants Bank	9.06	61.65	51.19	1.85	5.92	0.57
ALAMO	The Bank of Alamo	7.56	90.79	74.11	1.69	7.45	0.62
ASHLAND CITY	Community Bank & Trust Company of Cheatham County	13.19	67.20	56.38	1.28	6.19	0.97
ATWOOD	Citizens Bank & Trust Company	8.62	64.11	57.85	0.99	7.96	0.69
BARTLETT	Bank of Bartlett	5.83	55.84	46.88	2.01	2.11	0.13
BELFAST	Bank of Belfast	10.71	62.37	55.48	1.55	6.75	0.73
BELLS	Bank of Crockett	9.58	64.08	56.41	1.53	11.43	1.18
BELLS	Bells Banking Company	12.75	51.60	44.01	1.12	6.74	0.87
BENTON	Benton Banking Company	8.96	85.78	77.26	1.38	10.57	0.94
BENTON	Peoples Bank of Polk County	11.43	68.15	59.96	1.24	3.58	0.41
BOLIVAR	First South Bank	7.12	76.79	69.19	1.39	17.25	1.36
BOLIVAR	The Bank of Bolivar	5.87	54.79	51.25	6.72	-35.57	-2.45
BRADFORD	The Bank of Bradford	14.19	32.80	27.89	2.66	4.94	0.70
BRENTWOOD	Premier Bank of Brentwood	7.21	89.32	74.90	1.25	10.35	0.82
BRIGHTON	Brighton Bank	8.15	75.71	64.96	1.73	-4.48	-0.35
BROWNSVILLE	INSOUTH Bank	6.73	78.31	71.83	1.38	-3.05	-0.23
BYRDSTOWN	People's Bank and Trust Company	11.28	81.99	69.64	2.50	10.73	1.22
CAMDEN	Bank of Camden	11.50	46.85	40.32	1.97	10.84	1.25
CARTHAGE	Citizens Bank	20.17	72.42	56.94	1.08	10.66	2.12
CARTHAGE	Cumberland Bank	7.12	87.72	76.49	1.38	13.23	0.95
CARTHAGE	Community Bank of Smith County	9.21	88.40	78.54	1.03	10.66	1.00
CHAPEL HILL	First State Bank	17.09	58.86	48.29	1.35	6.39	1.11
CHATTANOOGA*	Frontier Bank	9.30	100.06	80.22	1.25	-0.25	-0.03
CHATTANOOGA	First Volunteer Bank of Tennessee	8.87	79.45	71.09	1.12	12.49	1.15
CHATTANOOGA	Cornerstone Community Bank	8.31	86.92	74.21	1.26	7.48	0.64
CLARKSVILLE	Farmers and Merchants Bank	7.80	92.25	80.10	0.99	11.87	0.93
CLARKSVILLE	Legends Bank	15.15	84.83	69.22	1.20	3.91	0.62
CLARKSVILLE *	Cumberland Bank and Trust	31.39	86.21	61.17	1.25	-11.73	-5.89
CLEVELAND	The Bank/First Citizens Bank	7.60	82.80	67.20	1.49	21.75	1.78
CLEVELAND	Bank of Cleveland	9.12	98.07	85.87	1.18	20.19	1.87
CLEVELAND	Southern Heritage Bank	12.59	80.64	69.89	1.26	-0.39	-0.06
CLIFTON	Peoples Bank	7.79	79.01	70.72	1.81	6.88	0.56
CLINTON	Community Bank of East Tennessee	8.76	58.41	52.77	1.29	7.12	0.67

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

CITY	INSTITUTION	CORE CAPITAL (LEVERAGE) RATIO	NET LOANS TO DEPOSITS RATIO	NET LOANS TO ASSETS RATIO	ALLOWANCE FOR LOAN LOSSES RATIO	NET INCOME TO AVERAGE TOTAL EQUITY RATIO	NET INCOME TO AVERAGE TOTAL ASSETS RATIO
COLLIERVILLE	BankTennessee	7.78	94.23	76.25	2.38	-6.59	-0.50
COLUMBIA	Community First Bank & Trust	8.95	87.96	76.13	1.34	5.59	0.56
COOKEVILLE	Bank of Putnam County	7.40	48.24	44.16	0.93	15.95	1.22
CORDOVA	First Alliance Bank	13.38	100.09	80.60	1.31	1.85	0.27
CORNERVILLE	Farmer's Bank	11.08	81.16	69.23	1.61	6.90	0.77
CROSSVILLE	Cumberland County Bank	8.01	58.19	52.89	0.90	22.89	1.86
DECATURVILLE	Decatur County Bank	13.51	58.60	44.06	1.69	6.86	0.93
DICKSON	Bank of Dickson	13.04	61.57	51.53	0.97	8.67	1.12
DICKSON *	TriStar Bank	17.76	80.56	67.09	1.26	1.98	0.39
DRESDEN	The Weakley County Bank	9.12	43.06	36.64	2.17	8.22	0.79
DUNLAP	Mountain Valley Bank	14.96	73.84	61.75	0.97	9.78	1.54
DUNLAP	Citizens Tri-County Bank	7.47	77.79	71.00	1.40	20.40	1.54
DYER	The Farmers & Merchants Bank	9.34	58.81	49.85	0.89	8.89	0.83
DYER	Bank of Dyer	7.04	98.09	71.41	2.07	-4.19	-0.30
DYERSBURG	Security Bank	9.75	68.90	58.85	1.07	7.92	0.80
ELIZABETHTON	Citizens Bank	8.63	109.36	76.04	1.03	23.01	2.34
ELIZABETHTON	Carter County Bank of Elizabethton	8.32	82.47	73.52	1.02	18.35	1.58
ERIN *	Traditions First Bank	28.32	82.87	60.00	1.25	-2.16	-0.76
FRANKEWING	Bank of Frankewing	9.48	80.46	71.09	1.41	9.03	0.95
FRANKLIN *	Tennessee Commerce Bank	9.36	77.81	70.12	2.04	-6.51	-0.77
FRIENDSHIP	Bank of Friendship	8.62	83.39	71.73	2.19	9.78	0.83
GAINESBORO	Jackson Bank & Trust	9.33	73.50	60.52	2.65	7.65	0.70
GAINESBORO	Citizens Bank	11.38	53.94	46.87	4.51	10.90	1.27
GALLATIN	First Independent Bank	9.03	66.41	58.50	1.16	9.15	0.82
GATES	Gates Banking and Trust Company	10.56	55.27	48.92	1.77	8.92	0.96
GERMANTOWN	Renasant Bank	9.46	97.93	80.65	1.25	5.68	0.59
GLEASON	Bank of Gleason	14.88	60.11	50.82	0.89	9.01	1.38
GREENEVILLE	Greene County Bank	8.26	103.41	83.89	1.63	14.73	1.24
GREENEVILLE	Andrew Johnson Bank	7.66	85.65	77.64	1.29	15.44	1.23
GREENEVILLE *	Bank of Greeneville	26.48	102.06	75.01	1.25	-21.24	-6.80
GREENFIELD	Greenfield Banking Company	11.96	67.01	57.76	1.82	8.16	1.00
HALLS	Bank of Halls	11.06	60.09	52.67	1.26	10.21	1.19
HALLS	The Lauderdale County Bank	8.63	69.14	61.40	1.15	2.98	0.25
HARROGATE	Commercial Bank	10.38	88.47	70.98	1.23	9.27	0.99
HARTSVILLE	Citizens Bank	8.85	78.06	69.66	1.21	8.75	0.79
HENDERSON	First State Bank	17.11	39.70	32.57	1.57	3.94	0.70

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

CITY	INSTITUTION	CORE CAPITAL (LEVERAGE) RATIO	NET LOANS TO DEPOSITS RATIO	NET LOANS TO ASSETS RATIO	ALLOWANCE FOR LOAN LOSSES RATIO	NET INCOME TO AVERAGE TOTAL EQUITY RATIO	NET INCOME TO AVERAGE TOTAL ASSETS RATIO
HENDERSON	Chester County Bank	7.54	62.32	55.77	1.40	9.95	0.75
HUNTINGDON	Carroll Bank and Trust	11.92	69.86	59.32	1.22	9.34	1.11
JACKSON	The Bank of Jackson	11.59	87.91	77.07	1.35	7.39	0.92
JAMESTOWN	Union Bank	15.34	63.56	53.19	1.37	9.20	1.44
JAMESTOWN *	Community Bank of the Cumberlands	15.19	69.23	58.59	1.27	-9.50	-2.35
JASPER	Citizens State Bank	8.05	64.27	58.96	1.46	11.23	0.92
JEFFERSON CITY	First Peoples Bank of Tennessee	7.30	80.96	71.35	1.48	7.06	0.52
JELLICO	Union Bank	10.87	50.56	44.44	1.11	9.20	1.21
JOHNSON CITY	People's Community Bank	8.16	78.83	68.45	1.24	11.04	0.90
JOHNSON CITY	State of Franklin Savings Bank	7.42	66.84	54.44	1.02	11.57	0.87
KENTON	First State Bank	7.86	71.80	61.86	2.26	-9.44	-0.79
KINGSPORT	Bank of Tennessee	7.76	97.56	80.86	1.23	14.31	1.10
LAFAYETTE	Citizens Bank of Lafayette	9.49	59.92	53.97	0.97	11.77	1.09
LAFAYETTE	Macon Bank and Trust Company	9.93	52.45	46.64	1.50	9.39	1.05
LEBANON	Wilson Bank and Trust	7.33	86.72	74.39	1.02	16.46	1.14
LEBANON *	Academy Bank	17.34	87.73	72.16	1.25	-3.56	-0.73
LENOIR CITY	First Central Bank	8.14	68.30	62.15	1.07	9.31	0.78
LEXINGTON	First Bank	9.68	102.84	77.53	1.17	10.46	1.34
LIBERTY	Liberty State Bank	7.73	58.55	53.69	2.68	6.06	0.46
LIVINGSTON	Union Bank & Trust Company	8.55	40.46	36.39	2.80	37.39	3.56
LIVINGSTON	American Savings Bank	7.34	79.90	71.45	1.22	9.01	0.67
LOBELVILLE	Bank of Perry County	15.13	73.36	62.34	1.84	7.16	1.09
LYNCHBURG	The Farmers Bank of Lynchburg	11.83	60.39	53.01	2.46	2.88	0.33
MADISONVILLE	Peoples Bank of Monroe County	9.85	82.86	73.91	1.25	7.45	0.78
MANCHESTER	Peoples Bank & Trust Company	9.32	51.68	44.50	1.24	9.21	0.93
MANCHESTER	Coffee County Bank	11.01	71.01	62.54	2.30	12.01	1.42
MARTIN	City State Bank	9.31	68.20	57.29	0.91	8.41	0.81
MARYVILLE	Citizens Bank of Blount County	10.95	67.20	57.47	1.30	13.36	1.38
MARYVILLE	The Home Bank of Tennessee	8.53	82.45	63.87	1.35	13.81	1.24
MASON	The Bank of Mason	9.40	41.89	37.11	1.94	6.96	0.67
MAURY CITY	Planters Bank of Maury City	8.66	74.33	66.22	3.77	0.59	0.05
MAYNARDVILLE	First State Bank	12.95	56.68	48.56	1.77	5.82	0.79
MC KENZIE	McKenzie Banking Company	8.42	52.16	47.43	6.05	15.86	1.36
MEDINA	Medina Banking Co.	13.67	39.07	33.50	1.63	-1.21	-0.18
MEMPHIS	Tri-State Bank of Memphis	10.14	62.63	55.62	1.47	5.36	0.53

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

CITY	INSTITUTION	CORE CAPITAL (LEVERAGE) RATIO	NET LOANS TO DEPOSITS RATIO	NET LOANS TO ASSETS RATIO	ALLOWANCE FOR LOAN LOSSES RATIO	NET INCOME TO AVERAGE TOTAL EQUITY RATIO	NET INCOME TO AVERAGE TOTAL ASSETS RATIO
MEMPHIS	Trust One Bank	6.70	92.67	73.76	1.43	12.71	0.84
MEMPHIS	Independent Bank	7.74	78.39	70.50	1.18	2.44	0.20
MEMPHIS	MemphisFirst Community Bank	14.50	63.01	50.44	1.27	-2.86	-0.43
MILAN	The Bank of Milan	7.29	66.82	51.77	2.15	3.32	0.25
MORRISTOWN	Union Planters Bank of the Lakeway Area	7.80	94.24	82.96	1.29	26.15	2.18
MOSCOW	The Bank of Moscow	8.22	88.27	74.18	1.33	-9.92	-0.88
MOUNT JULIET *	Bank of the South	19.94	61.63	49.42	1.50	-13.24	-3.60
MOUNTAIN CITY	Farmers State Bank	13.25	62.72	54.34	1.27	8.70	1.14
MOUNTAIN CITY	Johnson County Bank	8.58	101.27	77.31	1.15	14.49	1.30
MUNFORD	The Munford Union Bank	8.55	69.21	60.25	1.26	16.37	1.35
MURFREESBORO	Rutherford Bank and Trust	8.93	83.03	75.22	1.37	3.99	0.35
MURFREESBORO	Bank of Murfreesboro	9.37	86.87	73.96	1.03	3.99	0.39
NASHVILLE	Citizens Savings Bank and Trust Company	8.53	73.12	65.12	1.44	11.76	0.98
NASHVILLE	The Community Bank	6.60	100.04	81.20	1.17	9.73	0.64
NASHVILLE	The Bank of Nashville	7.16	95.62	69.97	1.49	9.50	0.75
NASHVILLE	Capital Bank & Trust Company	9.21	94.92	78.55	1.47	6.33	0.59
NASHVILLE *	Insurors Bank of Tennessee	20.13	110.27	72.35	1.26	-24.87	-8.32
NASHVILLE *	PrimeTrust Bank	128.38	14.55	9.21	1.52	-9.99	-12.82
NEW TAZEVELL	Citizens Bank	8.82	53.57	47.31	1.24	-6.72	-0.64
OAK RIDGE	TNBANK	7.64	91.95	77.34	1.15	7.95	0.63
OAKLAND	Oakland Deposit Bank	6.92	70.78	63.05	2.19	6.15	0.43
ONEIDA	First Trust and Savings Bank	7.64	76.14	69.73	1.55	14.72	1.13
OLTEWAH	Community Trust & Banking Company	16.25	91.47	69.63	1.30	2.13	0.39
PARIS	Commercial Bank & Trust Co.	7.56	73.58	66.50	1.85	10.50	0.99
PARIS	Security Bank and Trust Company	7.85	78.39	71.24	0.86	16.56	1.35
PARSONS	Farmers Bank	8.32	66.08	58.31	2.24	10.69	0.89
PARSONS	Community South Bank	9.15	80.62	64.42	2.02	9.50	0.93
PIGEON FORGE	Tennessee State Bank	8.22	83.08	70.20	1.33	13.00	1.05
PORTLAND	The Farmers Bank	9.47	64.83	56.87	1.30	12.58	1.27
PORTLAND	Volunteer State Bank	7.96	84.04	70.46	0.67	10.46	0.92
RIPLEY	Bank of Ripley	13.47	51.20	41.08	1.63	6.92	0.94
ROGERSVILLE	The Citizens Bank of East Tennessee	7.11	69.40	63.24	1.24	9.53	0.64

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

CITY	INSTITUTION	CORE CAPITAL (LEVERAGE) RATIO	NET LOANS TO DEPOSITS RATIO	NET LOANS TO ASSETS RATIO	ALLOWANCE FOR LOAN LOSSES RATIO	NET INCOME TO AVERAGE TOTAL EQUITY RATIO	NET INCOME TO AVERAGE TOTAL ASSETS RATIO
ROGERSVILLE	First Community Bank of East TN	9.55	102.63	80.08	1.13	12.83	1.12
RUTLEDGE	Citizens Bank and Trust Company	16.95	67.62	55.65	3.25	7.80	1.31
SARDIS	The Peoples Bank	12.51	70.11	60.09	1.64	7.11	0.88
SAVANNAH	The Hardin County Bank	9.25	68.50	61.33	0.82	9.46	0.88
SAVANNAH	Central Bank	10.11	85.34	72.26	1.46	8.82	0.84
SELMER	Home Banking Company	7.26	81.69	73.05	1.32	11.49	0.82
SEVIERVILLE	Sevier County Bank	12.06	51.64	45.21	1.72	7.68	0.94
SHARON	The Bank of Sharon	7.80	80.38	66.31	0.82	3.42	0.26
SHELBYVILLE	First Community Bank of Bedford Co.	10.92	76.46	62.37	1.61	12.70	1.40
SHELBYVILLE *	Peoples Bank of Bedford County	14.72	80.10	67.35	2.50	-20.08	-4.37
SMITHVILLE	DeKalb Community Bank	6.77	84.91	76.96	1.23	14.79	0.98
SOMERVILLE	The Somerville Bank & Trust Co.	5.75	77.81	69.61	3.55	9.93	1.16
SPENCER	Citizens Bank of Spencer	11.71	48.30	41.26	5.80	7.56	0.91
SPRING CITY	First Bank of Tennessee	8.76	86.10	74.25	0.82	17.99	1.56
TAZEWELL	First Century Bank	8.20	68.48	61.90	1.25	12.66	1.04
TOONE	Merchants & Planters Bank	7.96	73.85	65.48	2.76	-2.62	-0.21
TRENTON	Bank of Commerce	9.45	75.81	63.92	1.86	6.04	0.78
TRENTON	Citizens City & County Bank	8.46	70.26	63.76	1.91	-9.05	-0.82
TREZEVANT	Farmer's and Merchants Bank	6.98	94.47	82.94	2.29	13.31	0.88
TULLAHOMA	American City Bank of Tullahoma	7.73	68.24	62.01	0.71	14.39	1.23
UNION CITY	Reelfoot Bank	8.55	79.48	69.77	1.74	-0.27	-0.02
WARTBURG	Citizens First Bank	7.56	81.58	74.41	0.94	6.76	0.52
WAYNESBORO	The Bank of Waynesboro	11.34	61.51	53.76	3.86	7.70	0.87
WAYNESBORO	Wayne County Bank	14.53	89.80	74.88	3.84	9.07	1.31
WINCHESTER	Citizens Community Bank	11.77	81.32	67.25	1.57	18.16	2.20
WOODLAND MILLS	The Farmers Bank	13.29	50.59	43.69	1.62	5.15	0.70
Average for banks operating over 2 years		9.73	73.42	62.78	1.64	8.48	0.84

* indicates banks operating less than 2 years

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

TENNESSEE STATE-CHARTERED BANKS Consolidated Balance Sheet

(IN MILLIONS)

	December 31, 2001	December 31, 2000	\$ Change	% Change
ASSETS				
Cash and Due from Banks	815	780	35	4.49%
Securities	4526	4606	-80	-1.74%
Federal Funds Sold and Securities Purchased			0	
Under Agreement to Resell	953	667	286	42.88%
Loans and Leases Held for Sale	255		255	
Loans and Leases, Net of Unearned Income	14604	14966	-362	-2.42%
Allowance for Loan & Lease Losses	-219	-213	-6	2.82%
Assets held in Trading Accounts	0	0	0	
Premises and Fixed Assets	529	517	12	2.32%
Other Real Estate Owned	72	49	23	46.94%
Investments in Unconsolidated Subsidiaries	68	49	19	38.78%
Intangible Assets	55	98	-43	-43.88%
Other Assets	458	383	75	19.58%
TOTAL ASSETS	22,116	21,902	214	0.98%
LIABILITIES				
Non-Interest Bearing Deposits	2152	2120	32	1.51%
Interest Bearing Deposits	16549	16442	107	0.65%
TOTAL DEPOSITS	18,701	18,562	139	0.75%
Federal Funds Purchased and Securities				
Sold Under Repurchase Agreement	315	315	0	0.00%
Demand Notes Issued to the U. S. Treasury	0	3	-3	-100.00%
Other Borrowed Money	795	667	128	19.19%
Other Liabilities	173	201	-28	-13.93%
TOTAL LIABILITIES	19,984	19,748	236	1.20%
Minority Interests in Consolidated Subsidiaries	1	0	1	
EQUITY CAPITAL				
Preferred Stock	6	9	-3	-33.33%
Common Stock	162	176	-14	-7.95%
Surplus	696	673	23	3.42%
Undivided Profits	1247	1299	-52	-4.00%
Accumulated Other Comprehensive Income	22	-3	25	-833.33%
Other Equity Capital Components	-2	0	-2	
TOTAL EQUITY CAPITAL	2,131	2,154	-23	-1.07%
TOTAL LIABILITIES AND EQUITY CAPITAL	22,116	21,902	214	0.98%

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

TENNESSEE STATE-CHARTERED BANKS

Consolidated Income Statement

(IN MILLIONS)

	December 31, 2001	December 31, 2000	\$ Change	% Change
Interest Income	1598	1643	-45	-2.74%
Interest Expense	787	817	-30	-3.67%
NET INTEREST INCOME	811	826	-15	-1.82%
Non-Interest Income	190	174	16	9.20%
Non-Interest Expense	652	619	33	5.33%
Provision for Loan Losses	101	85	16	18.82%
Securities Gains/Losses	8	-2	10	-500.00%
Pre-Tax Net Income	256	294	-38	-12.93%
Applicable Income Taxes	71	86	-15	-17.44%
NET OPERATING INCOME	185	208	-23	-11.06%
Extraordinary Gains/Losses	1	0	1	
NET INCOME	186	208	-22	-10.58%
TOTAL CASH DIVIDENDS	115	96	19	19.79%

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

TENNESSEE STATE-CHARTERED BANKS

Summary of Individual Banks

As of December 31, 2001
(IN MILLIONS)

CITY	BANK	(a) Cash	(b) Invest- ments	(c) Total Loans	(d) Loan Loss Res.	(e) Other Assets	Total Assets	(f) Total Deposits	(g) Other Liabilities	(h) Minority Interests In UNC Subsidiaries	(i) Equity Capital	(j) Net Income
ADAMSVILLE	Farmers & Merchants Bank	4,807	8,953	16,036	296	1,250	30,750	25,530	2,210	0	3,010	177
ALAMO	The Bank of Alamo	633	16,740	59,826	1,011	3,174	79,362	64,784	8,267	0	6,311	507
ASHLAND CITY	Community Bank & Trust Company	2,478	19,498	33,345	427	3,492	58,386	48,985	2,296	0	7,105	431
ATWOOD	Citizens Bank & Trust Company	748	4,936	8,722	86	608	14,928	13,471	165	0	1,292	103
BARTLETT	Bank of Bartlett	13,570	228,039	235,691	4,738	20,061	492,623	413,634	50,115	0	28,874	638
BELFAST	Bank of Belfast	1,406	7,992	12,614	196	566	22,382	19,909	67	0	2,406	159
BELLS	Bank of Crockett	7,257	24,871	46,580	715	3,314	81,307	71,572	1,553	0	8,182	919
BELLS	Bells Banking Company	909	15,612	13,760	154	792	30,919	26,366	520	0	4,033	263
BENTON	Benton Banking Company	3,844	10,790	63,956	883	3,929	81,636	73,533	614	0	7,489	771
BENTON	Peoples Bank of Polk County	1,147	7,676	14,079	175	463	23,190	20,401	165	0	2,624	96
BOLIVAR	First South Bank	7,895	48,846	154,400	2,153	11,044	220,032	198,261	4,259	0	17,512	2,893
BOLIVAR	The Bank of Bolivar	2,280	27,037	39,479	2,653	5,718	71,861	67,212	336	0	4,313	-1,906
BRADFORD	The Bank of Bradford	2,769	24,767	11,303	301	905	39,443	33,543	255	0	5,645	276
BRENTWOOD	Premier Bank of Brentwood	5,475	16,541	72,149	900	1,863	95,128	79,768	8,411	0	6,949	680
BRIGHTON	Brighton Bank	3,167	14,153	39,633	686	3,692	59,959	51,445	3,487	0	5,027	-215
BROWNSVILLE	INSOUTH Bank	14,484	100,572	396,892	5,468	38,450	544,930	499,814	5,694	450	38,972	-1,222
BYRDSTOWN	People's Bank and Trust Company	3,262	15,746	53,206	1,328	3,604	74,490	63,271	2,695	0	8,524	885
CAMDEN	Bank of Camden	6,950	72,846	58,903	1,163	5,679	143,215	123,254	3,815	0	16,146	1,709
CARTHAGE	Citizens Bank	10,009	153,577	234,984	2,527	12,218	408,261	321,005	3,327	0	83,929	8,570
CARTHAGE	Cumberland Bank	14,920	30,275	205,933	2,844	17,225	265,509	231,510	13,552	250	20,197	2,501
CARTHAGE	Community Bank of Smith County	1,425	7,116	39,473	407	2,135	49,742	44,192	1,040	0	4,510	456
CHAPEL HILL	First State Bank	809	14,820	15,512	209	759	31,691	26,000	235	0	5,456	343
CHATTANOOGA	Frontier Bank	12,285	20,462	168,541	2,107	8,281	207,462	166,326	23,028	0	18,108	-39
CHATTANOOGA	First Volunteer Bank of Tennessee	17,057	72,447	313,391	3,521	36,534	435,908	390,010	5,483	0	40,415	4,922
CHATTANOOGA	Cornerstone Community Bank	8,130	21,302	105,154	1,322	6,653	139,917	119,462	9,231	0	11,224	793
CLARKSVILLE	Farmers and Merchants Bank	7,043	36,177	270,964	2,681	23,426	334,929	290,815	18,023	0	26,091	3,022
CLARKSVILLE	Legends Bank	3,812	19,377	63,079	755	4,530	90,043	73,467	3,504	0	13,072	500
CLARKSVILLE	Cumberland Bank and Trust	1,032	7,120	15,550	194	1,595	25,103	17,813	95	0	7,195	-864
CLEVELAND	The Bank/First Citizens Bank	10,406	82,631	213,650	3,176	9,707	313,218	254,183	33,958	0	25,077	5,281
CLEVELAND	Bank of Cleveland	5,647	6,088	122,554	1,450	8,192	141,031	123,490	5,075	0	12,466	2,549
CLEVELAND	Southern Heritage Bank	3,544	15,235	54,227	684	4,292	76,614	66,395	1,113	0	9,106	-36
CLIFTON	Peoples Bank	2,454	15,064	59,494	1,074	6,672	82,610	73,938	2,163	0	6,509	437
CLINTON	Community Bank of East Tennessee	1,139	21,115	27,890	360	2,386	52,170	47,132	420	0	4,618	314
COLLIERVILLE	BankTennessee	5,216	23,809	154,264	3,672	17,874	197,491	159,821	22,097	0	15,573	-1,029
COLUMBIA	Community First Bank & Trust	3,609	21,540	99,155	1,327	5,525	128,502	111,217	5,871	0	11,414	623
COOKEVILLE	Bank of Putnam County	4,617	100,805	90,066	835	7,424	202,077	184,984	971	0	16,122	2,472
CORDOVA	First Alliance Bank	2,310	4,839	34,546	454	1,058	42,299	34,061	2,703	0	5,535	101
CORNSVILLE	Farmer's Bank	1,705	17,371	51,603	829	3,488	73,338	62,558	2,626	0	8,154	559
CROSSVILLE	Cumberland County Bank	3,942	51,986	65,814	590	2,179	123,331	112,080	1,083	0	10,168	2,255
DECATURVILLE	Decatur County Bank	2,187	34,932	33,200	561	4,328	74,086	55,696	8,695	0	9,695	647
DICKSON	Bank of Dickson	6,397	65,008	82,689	802	5,606	158,898	133,008	5,019	0	20,871	1,744
DICKSON	TriStar Bank	1,981	8,651	29,869	375	3,839	43,965	36,609	155	0	7,201	141

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

CITY	BANK	(a) Cash	(b) Invest- ments	(c) Total Loans	(d) Loan Loss Res.	(e) Other Assets	Total Assets	(f) Total Deposits	(g) Other Liabilities	(h) Minority Interests In UNC Subsidiaries	(i) Equity Capital	(j) Net Income
DRESDEN	The Weakley County Bank	3,586	18,127	22,864	496	16,964	61,045	51,948	3,246	0	5,851	476
DUNLAP	Mountain Valley Bank	2,040	14,247	31,804	309	3,226	51,008	42,654	665	0	7,689	747
DUNLAP	Citizens Tri-County Bank	13,974	36,762	161,575	2,256	14,343	224,398	204,811	2,453	0	17,134	3,284
DYER	The Farmers & Merchants Bank	2,042	20,926	26,188	232	3,140	52,064	44,134	3,336	0	4,594	404
DYER	Bank of Dyer	1,621	7,379	35,636	738	4,969	48,867	35,577	9,653	0	3,637	-150
DYERSBURG	Security Bank	11,364	37,981	82,447	881	7,699	138,610	118,382	6,754	0	13,474	1,056
ELIZABETHTON	Citizens Bank	14,065	79,422	424,847	4,394	38,998	552,938	384,479	111,856	0	56,603	12,797
ELIZABETHTON	Carter County Bank of Elizabethton	7,892	34,250	139,964	1,430	7,757	188,433	167,974	4,280	0	16,179	2,907
ERIN	Traditions First Bank	536	6,177	11,178	140	645	18,396	13,319	129	0	4,948	-108
FRANKEWING	Bank of Frankewing	2,673	15,677	60,788	1,257	6,155	84,036	74,490	1,298	0	8,248	764
FRANKLIN	Tennessee Commerce Bank	1,585	16,119	45,036	919	1,097	62,918	56,699	179	0	6,040	-429
FRIENDSHIP	Bank of Friendship	2,864	26,384	85,734	1,877	3,806	116,911	100,562	6,141	0	10,208	967
GAINESBORO	Jackson Bank & Trust	5,110	44,249	94,325	2,503	10,536	151,717	124,922	12,869	0	13,926	1,038
GAINESBORO	Citizens Bank	2,106	20,890	22,755	1,026	1,634	46,359	40,284	361	0	5,714	577
GALLATIN	First Independent Bank	4,973	33,774	61,256	711	4,201	103,493	91,164	3,119	0	9,210	809
GATES	Gates Banking and Trust Company	1,548	12,944	15,202	269	1,102	30,527	27,018	327	0	3,182	282
GERMANTOWN	Renasant Bank	7,872	20,172	133,198	1,659	3,522	163,105	134,321	14,274	0	14,510	804
GLEASON	Bank of Gleason	4,768	41,950	52,196	466	3,347	101,795	86,062	796	0	14,937	1,304
GREENEVILLE	Greene County Bank	23,532	55,021	690,492	11,221	51,848	809,672	656,859	84,269	0	68,544	9,747
GREENEVILLE	Andrew Johnson Bank	5,892	27,117	138,622	1,790	6,388	176,229	159,758	2,363	0	14,108	2,071
GREENEVILLE	Bank of Greeneville	489	2,859	18,084	226	2,601	23,807	17,497	144	0	6,166	-1,334
GREENFIELD	Greenfield Banking Company	931	16,011	25,706	467	1,519	43,700	37,665	798	0	5,237	427
HALLS	Bank of Halls	3,035	18,270	25,886	327	1,665	48,529	42,537	684	0	5,308	546
HALLS	The Lauderdale County Bank	1,246	9,145	20,600	237	2,413	33,167	29,453	854	0	2,860	85
HARROGATE	Commercial Bank	11,869	66,516	255,919	3,155	24,959	356,108	285,714	37,502	0	32,892	3,049
HARTSVILLE	Citizens Bank	1,444	17,240	48,555	586	2,212	68,865	61,450	1,373	0	6,042	519
HENDERSON	First State Bank	4,559	89,748	47,881	750	3,277	144,715	118,720	1,283	0	24,712	965
HENDERSON	Chester County Bank	7,270	9,084	22,851	319	1,518	40,404	36,153	1,197	0	3,054	299
HUNTINGDON	Carroll Bank and Trust	5,769	46,652	89,625	1,097	8,277	149,226	126,717	4,749	0	17,760	1,589
JACKSON	The Bank of Jackson	2,822	10,301	55,334	745	3,123	70,835	62,098	463	0	8,274	590
JAMESTOWN	Union Bank	4,922	43,649	63,262	869	6,332	117,296	98,164	933	0	18,199	1,586
JAMESTOWN	Community Bank of the Cumberlands	2,273	14,524	29,216	371	3,586	49,228	41,665	434	0	7,129	-686
JASPER	Citizens State Bank	2,585	16,549	32,724	479	3,306	54,685	50,168	227	0	4,290	482
JEFFERSON CITY	First Peoples Bank of Tennessee	5,626	16,145	69,801	1,033	5,837	96,376	84,940	4,384	0	7,052	482
JELICO	Union Bank	2,693	20,827	21,436	238	2,979	47,697	41,924	412	0	5,361	563
JOHNSON CITY	People's Community Bank	5,791	29,837	90,077	1,117	5,370	129,958	112,855	6,506	0	10,597	1,124
JOHNSON CITY	State of Franklin Savings Bank	5,319	100,642	141,085	1,436	10,911	256,521	208,920	30,772	0	16,829	1,897
KENTON	First State Bank	9,307	76,420	180,696	4,079	23,155	285,499	245,983	17,462	0	22,054	-2,172
KINGSPORT	Bank of Tennessee	14,469	45,043	309,620	3,810	12,897	378,219	313,468	34,550	0	30,201	4,171
LAFAYETTE	Citizens Bank of Lafayette	8,478	101,978	140,754	1,371	8,405	258,244	232,629	1,109	0	24,506	2,732
LAFAYETTE	Macon Bank and Trust Company	5,766	94,391	93,470	1,404	5,166	197,389	175,531	1,344	0	20,514	1,872
LEBANON	Wilson Bank and Trust	17,162	108,358	429,128	4,357	20,696	570,987	489,791	40,225	0	40,971	6,233
LEBANON	Academy Bank	1,198	4,468	20,402	256	2,106	27,918	22,964	545	0	4,409	-159
LENOIR CITY	First Central Bank	5,701	42,839	90,476	967	5,982	144,031	131,049	1,527	0	11,455	1,046

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

CITY	BANK	(a) Cash	(b) Invest- ments	(c) Total Loans	(d) Loan Loss Res.	(e) Other Assets	Total Assets	(f) Total Deposits	(g) Other Liabilities	(h) Minority Interests In UNC Subsidiaries	(i) Equity Capital	(j) Net Income
LEXINGTON	First Bank	22,217	97,288	589,587	6,919	49,318	751,491	566,573	92,954	0	91,964	9,803
LIBERTY	Liberty State Bank	3,378	36,004	51,276	1,372	3,657	92,943	85,236	555	0	7,152	423
LIVINGSTON	Union Bank & Trust Company	1,991	37,847	26,434	741	5,074	70,605	63,495	640	0	6,470	2,448
LIVINGSTON	American Savings Bank	617	11,125	35,917	438	2,433	49,654	44,407	1,452	0	3,795	326
LOBELVILLE	Bank of Perry County	1,275	27,338	51,072	940	1,677	80,422	68,337	583	0	11,502	793
LYNCHBURG	The Farmers Bank of Lynchburg	2,022	26,138	36,254	892	3,189	66,711	58,552	230	0	7,929	232
MADISONVILLE	Peoples Bank of Monroe County	3,624	10,892	53,557	669	4,155	71,559	63,825	727	0	7,007	508
MANCHESTER	Peoples Bank & Trust Company	1,425	25,940	24,591	306	2,920	54,570	46,987	1,967	0	5,616	500
MANCHESTER	Coffee County Bank	1,557	11,493	23,804	548	882	37,188	32,752	337	0	4,099	481
MARTIN	City State Bank	4,703	16,722	59,418	543	22,473	102,773	86,331	6,644	0	9,798	838
MARYVILLE	Citizens Bank of Blount County	8,539	110,152	173,828	2,256	8,267	298,530	255,305	11,033	0	32,192	4,085
MARYVILLE	The Home Bank of Tennessee	2,230	20,583	51,966	699	6,192	80,272	62,176	10,782	0	7,314	959
MASON	The Bank of Mason	1,904	4,156	3,872	75	375	10,232	9,065	166	0	1,001	67
MAURY CITY	Planters Bank of Maury City	2,322	9,370	25,902	976	1,024	37,642	33,534	653	0	3,455	18
MAYNARDVILLE	First State Bank	4,015	16,096	21,314	377	2,066	43,114	36,939	413	0	5,762	328
MC KENZIE	McKenzie Banking Company	14,767	26,194	43,287	2,620	4,109	85,737	77,968	331	0	7,438	1,136
MEDINA	Medina Banking Co.	2,081	17,450	10,412	170	799	30,572	26,214	171	0	4,187	-52
MEMPHIS	Tri-State Bank of Memphis	4,974	47,629	73,335	1,075	5,063	129,926	115,382	957	0	13,587	716
MEMPHIS	Trust One Bank	10,850	70,252	276,264	3,950	15,790	369,206	293,851	50,435	0	24,920	3,020
MEMPHIS	Independent Bank	8,047	66,274	203,932	2,398	10,000	285,855	257,107	8,317	0	20,431	487
MEMPHIS	MemphisFirst Community Bank	86	13,783	14,940	190	623	29,242	23,409	2,306	0	3,527	-103
MILAN	The Bank of Milan	1,932	25,894	35,047	754	4,119	66,238	51,321	10,209	0	4,708	170
MORRISTOWN	Union Planters Bank of the Lakeway	2,032	18,547	134,698	1,731	6,742	160,288	141,098	5,545	0	13,645	3,675
MOSCOW	The Bank of Moscow	1,328	7,841	36,929	490	3,514	49,122	41,281	3,821	0	4,020	-419
MOUNT JULIET	Bank of the South	2,135	51,370	57,668	865	4,639	114,947	92,162	1,267	0	21,518	-2,939
MOUNTAIN CITY	Farmers State Bank	4,587	43,697	60,621	771	2,004	110,138	95,424	399	0	14,315	1,206
MOUNTAIN CITY	Johnson County Bank	2,181	12,732	65,944	761	4,215	84,311	64,367	12,591	0	7,353	1,019
MUNFORD	The Munford Union Bank	4,228	34,962	70,099	881	6,482	114,890	100,006	5,085	0	9,799	1,532
MURFREESBORO	Rutherford Bank and Trust	2,690	7,401	39,292	537	2,674	51,520	46,675	214	0	4,631	181
MURFREESBORO	Bank of Murfreesboro	3,702	21,213	97,519	1,000	9,071	130,505	111,108	7,402	0	11,995	476
NASHVILLE	Citizens Savings Bank & Trust Co.	6,959	7,624	30,723	443	1,638	46,501	41,413	1,093	0	3,995	433
NASHVILLE	The Community Bank	7,361	14,444	123,224	1,442	6,397	149,984	121,738	18,378	0	9,868	901
NASHVILLE	The Bank of Nashville	18,216	111,721	342,303	5,098	14,783	481,925	352,641	93,318	290	35,676	3,260
NASHVILLE	Capital Bank & Trust Company	4,461	24,702	144,588	2,122	9,734	181,363	150,093	14,730	0	16,540	1,008
NASHVILLE	Insurors Bank of Tennessee	590	4,376	15,609	196	923	21,302	13,977	3,135	0	4,190	-1,188
NASHVILLE	PrimeTrust Bank	1,901	20,897	2,560	39	2,063	27,382	17,330	51	0	10,001	-999
NEW TAZEWELL	Citizens Bank	2,355	53,484	57,713	718	7,648	120,482	106,401	3,058	0	11,023	-749
OAK RIDGE	TNBANK	2,084	13,716	70,540	811	4,632	90,161	75,831	7,445	0	6,885	526
OAKLAND	Oakland Deposit Bank	3,425	14,045	49,748	1,088	11,050	77,180	68,746	2,851	0	5,583	336
ONEIDA	First Trust and Savings Bank	4,460	16,212	55,267	856	2,943	78,026	71,465	562	0	5,999	842
OOLTEWAH	Community Trust & Banking Co.	1,238	6,741	28,229	366	4,175	40,017	30,463	2,758	0	6,796	144
PARIS	Commercial Bank & Trust Co.	11,924	85,552	237,840	4,398	20,105	351,023	317,266	2,783	0	30,974	3,318
PARIS	Security Bank and Trust Company	2,309	26,050	80,621	694	3,914	112,200	101,962	879	0	9,359	1,476
PARSONS	Farmers Bank	2,072	11,296	21,566	484	1,703	36,153	31,903	1,214	0	3,036	319
PARSONS	Community South Bank	6,587	60,196	150,158	3,026	14,487	228,402	182,504	22,705	0	23,193	2,138
PIGEON FORGE	Tennessee State Bank	11,331	71,047	250,204	3,328	22,433	351,687	297,171	25,137	0	29,379	3,590

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

CITY	BANK	(a) Cash	(b) Investments	(c) Total Loans	(d) Loan Loss Res.	(e) Other Assets	Total Assets	(f) Total Deposits	(g) Other Liabilities	(h) Minority Interests In UNC Subsidiaries	(i) Equity Capital	(j) Net Income
PORTLAND	The Farmers Bank	12,007	84,025	141,351	1,840	9,773	245,316	215,195	5,662	0	24,459	2,958
PORTLAND	Volunteer State Bank	6,596	31,656	110,052	740	7,571	155,135	130,066	11,786	0	13,283	1,352
RIPLEY	Bank of Ripley	4,727	81,417	66,297	1,080	7,410	158,771	127,371	10,770	0	20,630	1,400
ROGERSVILLE	Citizens Bank of East Tennessee	2,628	32,514	73,066	908	6,796	114,096	103,969	2,020	0	8,107	750
ROGERSVILLE	First Community Bank of East TN	4,867	14,231	110,247	1,243	8,017	136,119	106,209	17,119	0	12,791	1,454
RUTLEDGE	Citizens Bank & Trust Company	4,200	50,940	78,661	2,553	5,515	136,763	112,552	952	0	23,259	1,794
SARDIS	The Peoples Bank	948	11,050	19,971	480	1,116	32,605	28,017	628	0	3,960	177
SAVANNAH	The Hardin County Bank	5,002	51,856	105,378	869	9,046	170,413	152,564	2,420	0	15,429	1,468
SAVANNAH	Central Bank	3,139	14,152	56,796	827	4,199	77,459	65,580	3,405	0	8,474	719
SELMER	Home Banking Company	1,592	8,146	33,512	444	2,461	45,267	40,480	1,524	0	3,263	358
SEVIERVILLE	Sevier County Bank	10,131	126,317	120,183	2,063	6,685	261,253	228,742	831	0	31,680	2,352
SHARON	The Bank of Sharon	3,521	22,839	98,530	805	23,283	147,368	121,585	13,980	0	11,803	382
SHELBYVILLE	First Community Bank of Bedford Co.	10,599	42,810	104,749	1,687	8,785	165,256	134,799	12,322	0	18,135	2,176
SHELBYVILLE	Peoples Bank of Bedford County	985	6,276	19,247	481	1,835	27,862	23,429	382	0	4,051	-901
SMITHVILLE	DeKalb Community Bank	1,852	12,590	59,171	725	3,060	75,948	68,830	1,888	0	5,230	719
SOMERVILLE	Somerville Bank & Trust Company	6,542	33,484	126,272	4,479	13,151	174,970	156,525	2,472	0	15,973	2,061
SPENCER	Citizens Bank of Spencer	2,325	13,364	12,596	731	1,201	28,755	24,564	391	0	3,800	270
SPRING CITY	First Bank of Tennessee	8,166	18,919	92,087	758	4,589	123,003	106,074	5,822	0	11,107	1,930
TAZEWELL	First Century Bank	9,830	69,819	150,832	1,887	12,037	240,631	217,512	3,194	0	19,925	2,399
TOONE	Merchants & Planters Bank	4,162	28,783	79,740	2,201	7,941	118,425	105,000	3,952	0	9,473	-253
TRENTON	Bank of Commerce	2,640	10,227	31,821	592	4,759	48,855	41,195	735	0	6,925	417
TRENTON	Citizens City & County Bank	1,180	6,426	18,354	350	2,626	28,236	25,624	219	0	2,393	-230
TREZEVANT	Farmer's and Merchants Bank	1,152	7,212	69,912	1,601	5,689	82,364	72,307	3,654	0	6,403	748
TULLAHOMA	American City Bank of Tullahoma	5,276	34,491	74,502	531	5,553	119,291	108,399	2,439	0	8,453	1,212
UNION CITY	Reelfoot Bank	9,419	24,640	113,442	1,970	14,250	159,781	140,251	5,795	0	13,735	-37
WARTBURG	Citizens First Bank	2,245	8,336	41,141	388	3,435	54,769	49,953	631	0	4,185	275
WAYNESBORO	The Bank of Waynesboro	2,606	28,542	40,778	1,572	2,578	72,932	63,736	870	0	8,326	638
WAYNESBORO	Wayne County Bank	3,922	20,454	95,627	3,672	6,468	122,799	102,399	2,554	0	17,846	1,585
WINCHESTER	Citizens Community Bank	2,343	19,007	57,565	901	6,241	84,255	69,680	4,180	0	10,395	1,791
WOODLAND MILLS	The Farmers Bank	272	7,819	6,561	106	229	14,775	12,760	51	0	1,964	101
TOTALS		815,110	5,479,254	14,858,984	219,896	1,182,672	22,116,124	18,701,155	1,283,167	990	2,130,812	186,013

a) Cash-Includes currency/coin, both interest-bearing and non-interest bearing balances due from depository institutions; **(b)** Investments owned includes securities, federal funds sold, and securities purchased under agreements to resell; **(c)** Total Loans-Includes all loans and lease financing receivables, net of unearned income; **(d)** Loan Loss Reserve-Allowance for Loan and Lease Losses; **(e)** Other Assets-Includes premises and fixed assets, trading assets, other real estate owned, investments in unconsolidated subsidiaries and associated companies, customer's liability to bank on acceptances outstanding, intangible assets, and assets not reportable elsewhere; **(f)** Total Deposits-Includes all interest bearing and non-interest bearing customer deposits held; **(g)** Other Liabilities-Includes federal funds purchased, securities sold under agreements to repurchase, demand notes issued to US Treasury, other money, mortgage indebtedness, and obligations under capitalized leases, bank's liability on acceptances outstanding, and all other liabilities; **(h)** Minority Interests in Unconsolidated Subsidiaries; **(i)** Equity Capital-Includes preferred stock, common stock, surplus, undivided profits, and accumulated other comprehensive income; **(j)** Net Income-Income earned after all expenses, taxes and extraordinary items

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

OUT-OF-STATE BANKS OPERATING BRANCHES IN TENNESSEE

BANK NAME	HOME OFFICE	# OF OFFICES IN TN June 30, 2001	# OF OFFICES IN TN June 30, 2000	TOTAL TN DEPOSITS June 30, 2001 (in Thousands)	TOTAL TN DEPOSIT June 30, 2000 (in Thousands)
ALABAMA					
AmSouth, N.A.	Birmingham	206	212	8,662,268	9,135,896
Colonial Bank	Montgomery	3	3	108,988	113,075
Community Bank	Blountsville	2	2	33,848	32,650
Regions Bank	Birmingham	55	57	1,398,231	1,445,447
SouthTrust Bank, N.A.	Birmingham	12	12	554,131	528,630
GEORGIA					
SunTrust	Atlanta	129	135	6,063,929	5,913,736
INDIANA					
Old National Bank	Evansville	5	0	192,361	0
KENTUCKY					
Home Federal Bank, FSB	Middlesboro	1	1	37,976	34,492
Middlesboro Federal Bank, FSB	Middlesboro	1	1	17,962	15,601
MISSISSIPPI					
BancorpSouth Bank	Tupelo	32	31	969,988	893,377
Trustmark National Bank	Jackson	8	0	273,102	0
NEW JERSEY					
Synergy Federal Savings Bank	Cranford	1	1	7,559	7,771
NEW YORK					
Beacon Federal	East Syracuse	3	3	25,282	21,003
NORTH CAROLINA					
Bank of America, N.A.	Charlotte	97	107	4,479,288	4,436,593
First Union National Bank *	Charlotte	0	47	0	1,941,102
Wachovia Bank, N.A.	Winston-Salem	1	0	10,918	0
OHIO					
U. S. Bank, N.A. **	Cincinnati	58	19	2,065,166	419,554
VIRGINIA					
First Market Bank, FSB	Richmond	1	0	1	0
First Vantage Bank/Tri-Cities	Bristol	13	14	253,101	235,522
Highlands Union Bank	Abingdon	1	0	7,053	0
TOTALS		629	645	25,161,152	25,174,449

* Firststar Bank, N.A., Cincinnati, OH acquired all the branches of First Union National Bank in TN.

** Firststar Bank, N.A. merged into U.S. Banks, N.A.

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

TENNESSEE STATE-CHARTERED TRUST COMPANIES Consolidated Balance Sheet

(IN THOUSANDS)

	December 31, 2001	December 31, 2000	\$ Change	% Change
ASSETS				
Cash and Due from Banks	14,344	14,718	-374	-3%
Securities and Investments	1,811	1,957	-146	-7%
Premises and Fixed Assets	6,251	2,821	3,430	122%
Other Assets	39,170	13,911	25,259	182%
TOTAL ASSETS	61,576	33,407	28,169	84%
LIABILITIES				
Other Liabilities	9,948	7,698	2,250	29%
TOTAL LIABILITIES	9,948	7,698	2,250	29%
Unrestricted Assets	213	233	-20	-9%
Temporarily Restricted Assets	5	10	-5	-50%
Permanently Restricted Assets	8	8	0	0%
EQUITY CAPITAL				
Preferred Stock	0	0	0	0%
Common Stock	3,443	3,366	77	2%
Less: Treasury Stock	-191	-119	-72	61%
Surplus	36,234	7,768	28,466	366%
Undivided Profits	12,081	14,685	-2,604	-18%
Deferred Compensation	-136	-239	103	-43%
Unrealized Gains and (Losses)	-29	-3	-26	867%
Total Equity Capital	51,402	25,458	25,944	102%
TOTAL LIABILITIES AND EQUITY CAPITAL	61,576	33,407	28,169	84%

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

TENNESSEE STATE-CHARTERED TRUST COMPANIES

Consolidated Income Statement

(IN THOUSANDS)

	December 31, 2001	December 31, 2000	\$ Change	% Change
Fee Income	47,312	50,791	-3,479	-7%
NET FEE INCOME	47,312	50,791	-3,479	-6.8%
Other Income	3,792	906	2,886	318.5%
TOTAL INCOME	51,104	51,697	-593	-1.1%
Operating Expenses	31,450	27,187	4,263	15.7%
Advisor/Consulting Fees	14,499	16,827	-2,328	-13.8%
Inter-Company Expense (Credit)	-625	-1,308	683	-52.2%
Securities (Gains) and Losses	-9	3	-12	-400.0%
TOTAL OPERATING EXPENSES	45,315	42,709	2,606	6%
Pre-Tax Net Operating Income	5,789	8,988	-3,199	-35.6%
Applicable Income Taxes	1,818	1,019	799	78.4%
Non-Operating Expenses	873	276	597	216.3%
NET OPERATING INCOME	3,098	7,693	-4,595	-59.7%
Extraordinary Gains/Losses	0	0	0	0.0%
NET INCOME	3,098	7,693	-4,595	-59.7%
TOTAL CASH DIVIDENDS	873	1,055	-182	-17.3%

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

TENNESSEE STATE CHARTERED TRUST COMPANIES

Summary of Individual Trust Companies

As of December 31, 2001

(IN THOUSANDS)

TRUST COMPANY NAME	CITY	A Cash	B Invest	C Other Assets	D Total Assets	E Other Liab.	F Equity Capital	G Net Income	H TAUM	I Com/Col Funds	J # of funds
Independence Trust Company	Franklin	2	481	1,060	1,543	409	1,134	-39	320,030	63,733	2
Meridian Trust and Investment Company	Knoxville	342	161	493	996	81	915	1	220,334		
The Trust Company of Knoxville	Knoxville	44	414	995	1,453	158	1,295	177	681,630	99,963	14
Diversified Trust Company	Memphis	0	0	1,469	1,469	318	1,151	527	914,469	345,297	12
First Mercantile Trust Company	Memphis	9,517	0	35,441	44,958	7,945	37,013	2,301	1,866,239	1,747,447	144
Investment Counsel and Trust Company (K)	Memphis	94	0	155	249	83	166	-53	119,408		
Cumberland Trust and Investment Company	Nashville	914	0	80	994	69	925	-490	8,095		
Equitable Trust Company	Nashville	83	608	59	750	61	689	309	658,166		
Guardianship and Trusts Corporation (K,L)	Nashville	86	8	145	239	13	226(M)	-30	9,847		
Sentinel Trust Company	Nashville	136	139	1,235	1,510	24	1,486	-262	17,448		
UBS Paine Webber Trust Company (Tennessee)(N)	Nashville	3,126	0	4,289	7,415	787	6,628	657	261,848		
TOTAL:		14,344	1,811	45,421	61,576	9,948	51,402	3,098	5,077,514		

FOOTNOTE:

(A) Cash - Includes currency and coin, and both interest bearing and non-interest bearing balances due from depository institutions; (B) Investments - Investments Owned; (C) Other Assets -Includes premises and fixed assets, investments in unconsolidated subsidiaries, intangible assets, and all other assets; (D) Total Assets - The sum of (A) through (C); (E) Other Liabilities - Includes all liabilities; (F) Equity Capital - Includes preferred stock, common stock, debt capital, surplus, undivided profits, and all other capital reserves net of any unrealized holding gains (losses) on available for sale securities; (G) Net Income - Income earned after all expenses, taxes, and extraordinary items; (H) Total Assets Under Management - Total Discretionary and Non-Discretionary Assets Under Management at market value; (I) Common/Collective Funds - Assets held in Common and/or Collective Investment Funds trusted by company at market value; (J) Number of Funds - Number of Common/Collective Funds; (K) Operates on a fiscal year ending 6-30; (L) Not-for-profit trust company; (M) Net Assets; (N) Operates on a fiscal year ending 5-31.

TENNESSEE DEPARTMENT OF
FINANCIAL INSTITUTIONS



CREDIT UNION DIVISION

CREDIT UNION DIVISION

The **Credit Union Division** is responsible for supervision and examination of each state-chartered credit union and our corporate credit union. Like their counterparts in the Bank Division, Credit Union Examiners perform safety and soundness examinations of each credit union and corporate to determine compliance with governing laws and regulations. Credit union examiners perform evaluations of each credit union's assets, liabilities, income, and expenses in order to assess the solvency of the credit union. They also investigate consumer complaints involving credit unions.

An impressive notation to the Credit Union Division took place when two of our financial institutions reached a regulatory milestone by exceeding the one billion-dollar in total asset benchmark. Our state-chartered natural person credit union, Eastman, and our corporate, Volunteer Corporate, each exceeded this impressive mark during 2001.

The Credit Union Division conducted a voluntary survey at the conclusion of every examination. The survey was mailed with each report of examination. The purpose of the evaluation was to measure the overall efficiency and effectiveness of the examination and to determine adequacy of communication skills. Data accumulation and summaries assured the confidentiality and integrity of this process. The results of the survey reveal that credit unions definitely or generally agreed that the examination process met its goals.

The Credit Union Division received its re-accreditation from the National Association of State Credit Union Supervisors (NASCUS). The NASCUS accreditation is for a five-year period. Additionally, division examiners and supervisors have met the comprehensive criteria for NASCUS examination certifications. The results of this certification process places our examiners on a national level with other examiners ensuring professionalism, degree of education, and continuing education.

The Division had an increase in the number of field of membership and by-law approvals with a decrease in the average processing time during 2001. The Division continually strives for improvement in the processing time to further our efficiency and effectiveness. The Division met its regulatory requirement for conducting examinations with an improvement in the number of days to process an examination. The Division also established an off-site monitoring and follow-up program. This resulted in an improvement in the overall oversight of our state-chartered credit unions.

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

NEW CHARTERS AND CORPORATE ORGANIZATIONS

MERGERS

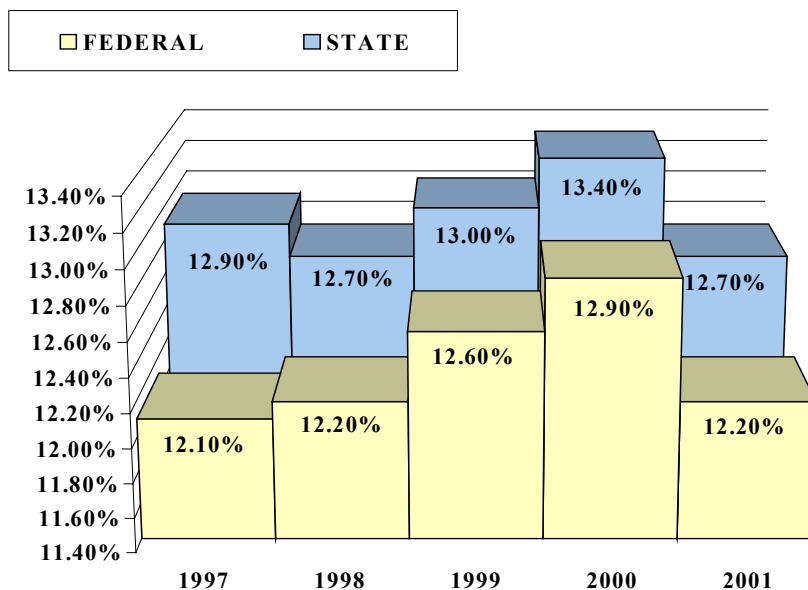
<u>DATE OF MERGER</u>	<u>NAME OF INSTITUTION</u>
01-03-2001	Weavexx Credit Union merged into Consumer Credit Union, Greeneville, Tennessee
01-04-2001	Goldsmith's Employees Credit Union merged into New Horizons Credit Union
02-28-2001	Ranally Federal Credit Union (a federal credit union) merged into U.S. Courthouse Credit Union, Nashville, Tennessee
04-03-2001	United Credit Union merged into Kingsport Press Credit Union, Kingsport, Tennessee
04-23-2001	Tennessee Workers Credit Union merged into Tennessee Telco Credit Union, Nashville, Tennessee
07-02-2001	Wallace Hardware Employees Credit Union merged into Lowland Credit Union, Morristown, Tennessee
07-02-2001	Members First Credit Union merged into Consumer Credit Union, Greeneville, Tennessee
07-31-2001	Professional Teachers' Credit Union merged into Beacon Federal, East Syracuse, New York
12-31-2001	Bristol Tennessee Teachers Credit Union merged into Sullivan County Employees Credit Union, Blountville, Tennessee
12-31-2001	Blazer Credit Union merged into American Uniform Credit Union, Cleveland, Tennessee

NAME CHANGES

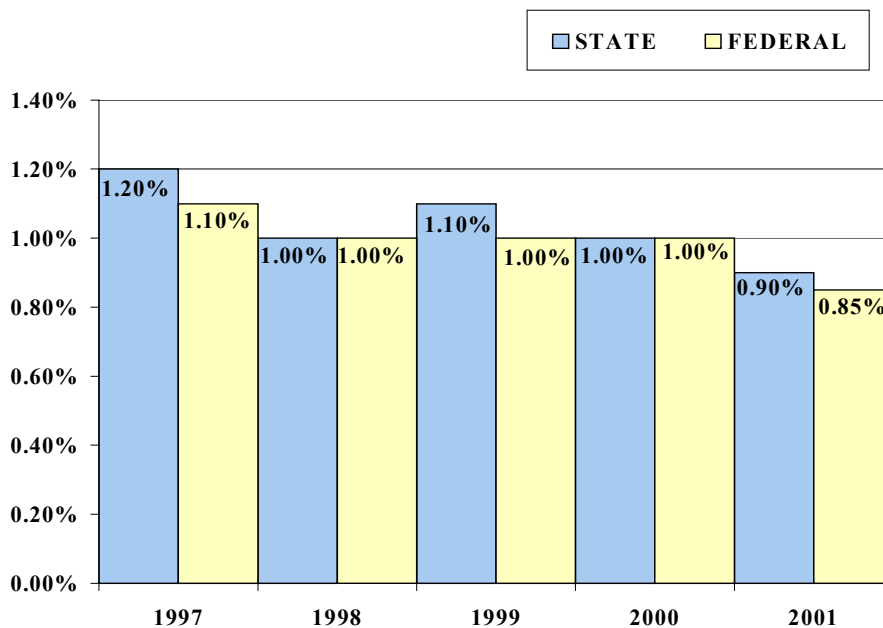
<u>DATE</u>	<u>NAME OF INSTITUTION</u>
02-07-2001	Dobbs Employees' Savings Association Credit Union changed its name to Gate Gourmet Employees' Credit Union
02-07-2001	Free Press Credit Union changed its name to Times Free Press Credit Union
05-30-2001	Tennessee Telco Credit Union changed its name to Southeast Financial Credit Union

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

NET WORTH TO ASSET RATIOS FOR TENNESSEE CREDIT UNIONS

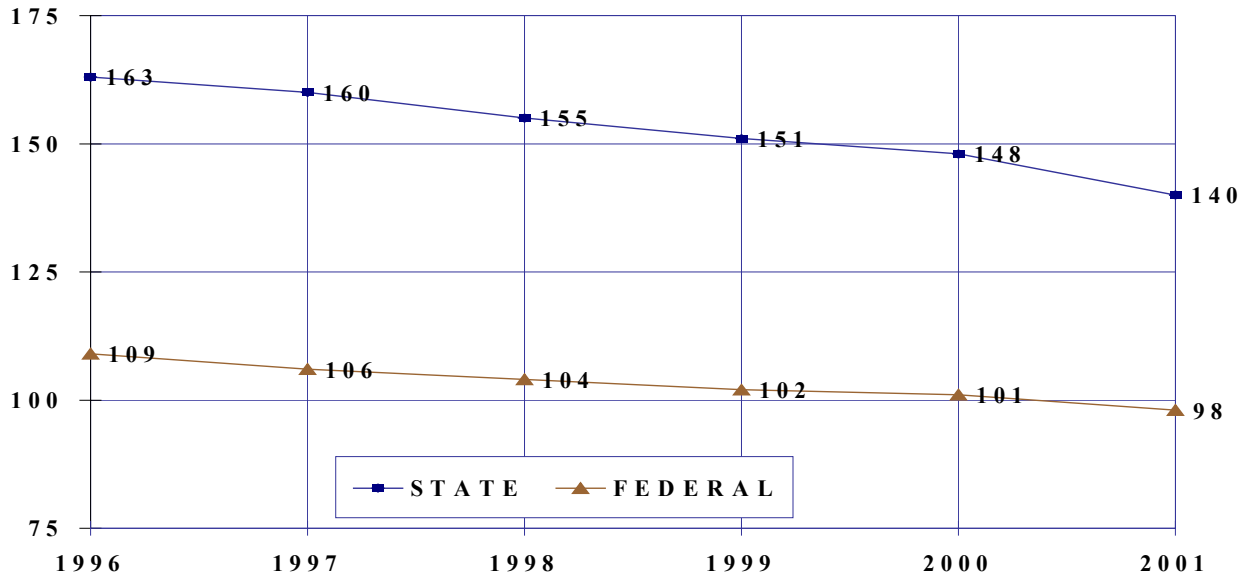


RETURN ON ASSETS

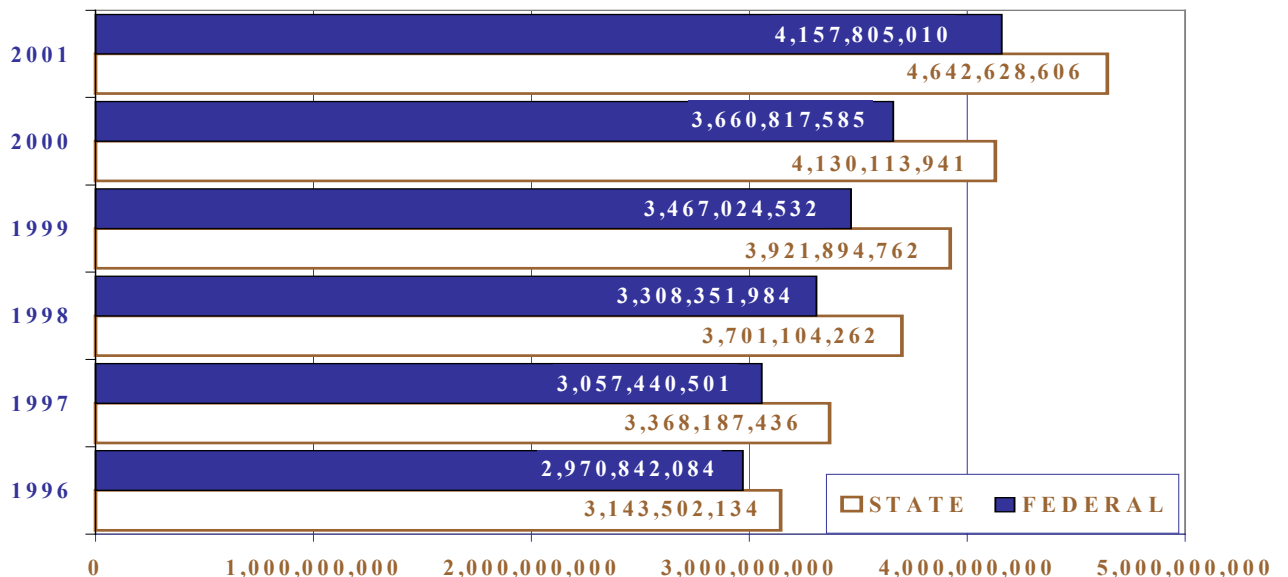


TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

NUMBER OF CREDIT UNIONS IN TENNESSEE



CREDIT UNION ASSETS IN TENNESSEE



TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

KEY RATIOS FOR STATE-CHARTERED CREDIT UNIONS

	December 2001	December 2000
RATIO DESCRIPTION		
CAPITAL ADEQUACY		
Net Worth/Total Assets	12.7%	13.4%
Total Delinquent Loans/Net Worth	3.2%	3.1%
Solvency Evaluation (Estimated)	115.4%	116.0%
Classified Assets (Estimated)/Net Worth	4.0%	3.7%
ASSET QUALITY		
Delinquent Loans/Total Loans	0.6%	0.6%
Net Charge-Offs/Average Loans	0.4%	0.3%
Fair (Market) Value/Book Value (HTM Invests)	100.9%	101.0%
Accumulated Unreal G-L On AFS/CST of Invest AFS	1.8%	0.5%
Delinquent Loans/Assets	0.4%	0.4%
EARNINGS		
Return on Average Assets	0.9%	1.0%
Gross Income/Average Assets	8.0%	8.4%
Cost of Funds/Average Assets	3.4%	3.6%
Net Margin/Average Assets	4.7%	4.7%
Operating Expense/Average Assets	3.5%	3.5%
Provision for Loan Losses/Average Assets	0.3%	0.3%
Net Interest Margin/Average Assets	3.7%	3.8%
Operating Expense/Gross Income	43.3%	41.8%
Fixed Assets and Oreos/Total Assets	2.0%	2.0%
Net Operation Expense/Average Assets	2.8%	2.8%
ASSET/LIABILITY MANAGEMENT		
Net Long-term Assets/Total Assets	24.6%	28.1%
Reg Shares/Total Shares and Borrowings	28.1%	28.9%
Total Loans/Total Shares	76.1%	83.4%
Total Loans/Total Assets	63.6%	69.9%
Cash + Short-term Investments/Assets	21.5%	16.5%
Total Shares, Deposits and Borrows/Earning Assets	90.1%	89.7%
Borrowings/Total Shares and Capital	2.7%	1.8%
Estimated Loan Maturity in Months	28.7%	32.4%
OTHER RATIOS		
Market Growth	7.1%	8.1%
Net Worth Growth	12.1%	5.2%
Loan Growth	2.2%	8.0%
Asset Growth	12.4%	5.3%
Investment Growth	41.2%	66.4%

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

KEY RATIOS FOR TENNESSEE FEDERALLY-CHARTERED CREDIT UNIONS

	December 2001	December 2000
RATIO DESCRIPTION		
CAPITAL ADEQUACY		
Net Worth/Total Assets	12.2%	12.9%
Total Delinquent Loans/Net Worth	3.2%	3.0%
Solvency Evaluation (Estimated)	114.2%	115.0%
Classified Assets (Estimated)/Net Worth	3.2%	3.2%
ASSET QUALITY		
Delinquent Loans/Total Loans	0.6%	0.6%
Net Charge-Offs/Average Loans	.04%	0.3%
Fair (Market) Value/Book Value (HTM Invests)	100.8%	100.4%
Accumulated Unreal G-L On AFS/CST of Invest AFS	1.0%	-0.1%
Delinquent Loans/Assets	0.4%	0.4%
EARNINGS		
Return on Average Assets	0.9%	1.0%
Gross Income/Average Assets	7.7%	8.1%
Cost of Funds/Average Assets	3.4%	3.6%
Net Margin/Average Assets	4.4%	4.5%
Operating Expense/Average Assets	3.2%	3.3%
Provision for Loan Losses/Average Assets	0.3%	0.2%
Net Interest Margin/Average Assets	3.4%	3.6%
Operating Expense/Gross Income	41.7%	40.3%
Fixed Assets and Oreos/Total Assets	2.1%	2.1%
Net Operation Expense/Average Assets	2.6%	2.6%
ASSET/LIABILITY MANAGEMENT		
Net Long-term Assets/Total Assets	24.3%	23.3%
Reg Shares/Total Shares and Borrowings	37.0%	36.3%
Total Loans/Total Shares	71.2%	79.5%
Total Loans/Total Assets	61.7%	68.4%
Cash + Short-term Investments/Assets	19.0%	15.9%
Total Shares, Deposits and Borrowows/Earning Assets	91.6%	91.2%
Borrowings/Total Shares and Capital	0.3%	0.2%
Estimated Loan Maturity in Months	27.1%	28.5%
OTHER RATIOS		
Market Growth	7.2%	8.5%
Net Worth Growth	14.4%	5.0%
Loan Growth	2.4%	6.5%
Asset Growth	13.6%	5.6%
Investment Growth	44.1%	26.2%

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

STATE-CHARTERED CREDIT UNIONS

Consolidated Balance Sheet

(In Actual Numbers)

	December 2001	December 2000	% Change
ASSETS:			
CASH:			
Cash on Hand	56,470,009	55,581,568	1.6
Cash On Deposit	460,141,316	291,569,658	57.8
Cash Equivalents	72,968,831	58,533,915	24.7
TOTAL CASH	589,580,156	405,685,141	45.3
INVENSTMENTS:			
U.S. Government Obligations	54,590,283	40,538,730	34.7
Federal Agency Securities	498,305,495	418,624,849	19.0
All Mutual Funds	7,494,252	8,147,037	-8.0
Total MCSD and PIC In Corporate	20,218,144	19,582,847	3.2
Corporate Central (CD)	126,946,044	73,033,362	73.8
Banks and S&Ls (CD)	222,788,720	123,709,311	80.1
DEP IN & Loans To Other Credit Unions	4,061,940	3,346,249	21.4
All Other Investments	16,743,062	13,884,566	20.6
TOTAL INVESTMENTS	951,147,939	700,866,950	35.7
LOANS AND LEASES			
Unsecured Credit Card Loans	135,160,253	130,023,580	4.0
All Other Unsecured Loans	251,729,884	260,837,798	-3.5
New Auto Loans	532,226,878	585,360,680	-9.1
Used Auto Loans	655,051,674	604,489,660	8.4
1 st Mortgage Real Estate Loans	1,001,042,336	921,525,527	8.6
Other Real Estate Loans	247,702,552	255,939,377	-3.2
Leases Receivable	3,776,369	4,325,484	-12.7
Other Member Loans	124,375,018	122,430,283	1.6
All Other Loans	1,447,763	2,667,934	-45.7
TOTAL LOANS	2,952,512,727	2,887,600,323	2.2
LESS: ALLOWANCE FOR LOAN AND LEASES	23,809,164	20,589,686	15.6
Other Real Estate Owned	983,664	721,822	36.3
Land and BLDG (Net of Depreciation)	71,553,633	63,229,037	13.2
Other Fixed Assets	18,586,340	16,912,613	9.9
Share INS CAP Deposit	33,919,511	31,669,871	7.1
Other Assets	48,153,800	44,017,870	9.4
TOTAL ASSETS	4,642,628,606	4,130,113,941	12.4
TOTAL CREDIT UNIONS	140	148	-5.4

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

STATE-CHARTERED CREDIT UNIONS Consolidated Balance Sheet

(In Actual Numbers)

	December 2001	December 2000	% Change
LIABILITIES, SHARES AND EQUITY:			
LIABILITIES			
Promissory and Other Notes Pay	119,013,716	71,780,349	65.8
Dividend/Interest Payable	11,467,943	13,650,722	-16.0
Accounts Payable and Liabilities	33,997,882	29,255,309	16.2
TOTAL LIABILITIES	164,479,541	114,686,380	43.4
SAVINGS/DEPOSTIS			
Share Drafts	392,408,582	387,039,194	1.4
Regular Shares	1,123,260,540	1,019,984,249	10.1
Money Market Shares	655,537,691	507,905,044	29.1
Share Certificates	1,258,295,077	1,143,068,118	10.1
IRA/KEOGH Accounts	360,338,128	335,033,867	7.6
All Other Shares	83,257,940	63,690,316	30.7
Non-Member Deposits	5,945,324	4,855,445	22.4
TOTAL SAVINGS/DEPOSITS	3,879,043,284	3,461,576,242	12.1
EQUITY			
Undivided Earnings	334,848,837	306,657,736	9.2
Regular Reserves	180,256,897	170,637,953	5.6
Appropriations for Non-Conform Investments	1,000	1,000	0.0
Other Reserves	75,890,141	74,774,371	1.5
Miscellaneous Equity	18,777	17,627	6.5
Unrealized G/L A-F-S SEC	8,090,129	1,761,378	359.3
Other Comprehensive Income	0	1,254	-100.0
Net Income	N/A	N/A	
EQUITY TOTAL	599,105,781	553,851,319	8.2
TOTAL SAVINGS/EQUITY	4,478,149,065	4,015,427,561	11.5
TOTAL LIABILITY/SAVINGS/EQUITY	4,642,628,606	4,130,113,941	12.4
NCUA INSURED SAVINGS			
Uninsured Shares	308,964,243	231,575,658	33.4
Uninsured Non-Member Deposits	859,866	322,184	166.9
Tot Uninsured Shares & Deposits	309,824,109	231,897,842	33.6
Insured Shares & Deposits	3,569,219,175	3,229,678,400	10.5

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

STATE-CHARTERED CREDIT UNIONS

Consolidated Income Statement

(In Actual Numbers)

	December 2001	December 2000	% Change
INCOME AND EXPENSE			
INTEREST INCOME:			
Interest on Loans	243,567,404	233,975,572	4.1
Less Interest Refund	60,436	168,029	-64.0
Income from Investments	64,514,415	64,047,725	0.7
Income from Trading	0	35,297	-100.0
TOTAL INTEREST INCOME	308,021,383	297,890,565	3.4
INTEREST EXPENSE:			
Dividends	77,562,168	87,030,576	-10.9
Interest on Deposits	64,189,330	54,678,858	17.4
Interest on Borrowed Money	5,259,374	4,521,251	16.3
TOTAL INTEREST EXPENSE	147,010,872	146,230,685	0.5
Provision for Loan & Lease Losses	14,892,230	11,129,929	33.8
NET INTEREST INCOME AFTER PLL	146,118,281	140,529,951	4.0
NON INTEREST INCOME:			
Fee Income	29,328,665	27,267,147	7.6
Other Operating Income	15,599,223	12,090,171	29.0
Gain (Loss) on Investments	304,593	-227,124	234.1
Gain (Loss) on Disposable Assets	229,819	29,939	667.6
Other Non-Operating Income and Expense	1,067,473	2,698,856	-60.4
TOTAL NON-INTEREST INCOME	46,529,773	41,858,989	11.2
NON-INTEREST EXPENSE:			
Employee Compensation and Benefits	78,741,832	72,843,274	8.1
Travel, Conference Expense	2,274,602	2,273,341	0.1
Office Occupancy	10,136,898	9,242,023	9.7
Office Operation Expense	33,971,345	30,695,048	10.7
Educational and Promotion	3,929,009	3,740,365	5.0
Loan Servicing Expense	5,696,737	5,257,341	8.4
Professional, Outside Service	10,184,907	9,552,200	6.6
Member Insurance	2,182,856	2,354,515	-7.3
Operating Fees	1,589,277	1,514,648	4.9
Miscellaneous Operating Expense	4,101,661	3,430,497	19.6
TOTAL NON-INTEREST EXPENSE	152,809,124	140,903,252	8.4
NET INCOME:	39,838,930	41,485,688	-4.0
RESERVE TRANSFERS:			
Transfer to Regular Reserve	8,222,350	8,425,315	-2.4

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

FEDERALLY-CHARTERED CREDIT UNIONS

Consolidated Balance Sheet

(In Actual Numbers)

	December 2001	December 2000	% Change
ASSETS:			
CASH:			
Cash On Hand	76,229,852	75,422,622	1.07
Cash On Deposit	376,649,504	189,461,403	98.80
Cash Equivalents	38,280,846	36,850,772	3.88
TOTAL CASH	491,160,202	301,734,797	62.78
INVESTMENTS:			
U.S. Govt. Obligations	12,759,893	14,323,000	-10.91
Federal Agency Sec.	597,890,056	495,012,881	20.78
All Mutual Funds	13,448,685	12,965,309	3.73
Total MCSD And PIC In Corporate	18,833,319	18,209,695	3.42
Corp. Central (CD)	95,229,813	53,995,865	76.37
Banks and S&Ls (Cert. DEP)	196,466,084	120,402,907	63.17
DEP IN & Loans to other CUs	5,763,571	5,660,323	1.82
All Other Investments	28,146,346	13,023,547	116.12
TOTAL INVESTMENTS	968,537,767	733,593,528	32.03
LOANS AND LEASES:			
Unsecured Credit Card Loans	143,955,863	140,154,943	2.71
All Other unsecured Loans	225,227,363	232,483,230	-3.12
New Auto Loans	485,356,327	518,808,597	-6.45
Used Auto Loans	555,218,779	528,874,318	4.98
1st Mort. Real Estate Loans	846,021,411	805,167,954	5.07
Other Real Estate Loans	200,699,718	175,515,887	14.35
Leases Receivable	1,273,335	1,334,804	-4.61
Other Member Loans	98,946,850	94,837,293	4.33
All Other Loans	7,645,924	7,327,034	4.35
TOTAL LOANS	2,564,345,570	2,504,504,060	2.39
LESS: ALLOWANCE FOR LOAN AND LEASES	16,088,439	15,171,425	6.04
Other Real Estate Owned	422,407	1,089,001	-61.21
Land and BLDG (Net of Depreciation)	69,932,101	60,330,912	15.91
Other Fixed Assets	16,442,318	14,034,183	17.16
Share INS CAP Deposit	31,873,690	29,096,154	9.55
Other Assets	31,179,394	31,601,628	-1.34
TOTAL ASSETS	4,157,805,010	3,660,812,838	13.58
TOTAL CREDIT UNIONS's	98	101	-2.97

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

FEDERALLY-CHARTERED CREDIT UNIONS

Consolidated Balance Sheet

(In Actual Numbers)

	December 2001	December 2000	% Change
LIABILITIES, SHARES AND EQUITY:			
LIABILITIES:			
Promissory And Other Notes Pay	10,671,993	9,579,959	-11.7
DIV/INT Payable	13,374,365	15,610,190	19.6
Acct. Payable & Liabilities	18,375,943	12,827,420	2.3
TOTAL LIABILITIES	42,422,301	38,017,569	4.8
SAVINGS/DEPOSITS:			
Share Drafts	402,480,150	338,073,825	7.8
Regular Shares	1,337,728,856	1,112,523,217	-1.5
Money Market Shares	387,651,487	282,198,446	-1.8
Share Certificates	1,057,170,866	763,823,682	18.1
IRA/KEOGH Accounts	375,822,739	335,096,877	1.1
All Other Shares	41,651,757	36,082,728	-10.2
Non-Member Deposits	1,132,066	1,886,539	10.0
TOTAL SAVINGS/DEPOSITS	3,603,637,921	2,869,685,317	5.0
EQUITY:			
Undivided Earnings	318,338,656	236,919,424	8.1
Regular Reserves	117,715,817	124,244,773	4.6
Other Reserves	71,322,309	40,861,758	24.8
Miscellaneous Equity	0	21,767	
Unrealized G/L A-F-S SEC	4,368,006	1,368,121	93.0
Net Income	N/A	N/A	
EQUITY TOTAL	511,744,788	403,415,843	10.0
TOTAL SAVINGS/EQUITY	4,115,382,709	3,273,101,160	5.6
TOTAL LIAB/SAVINGS/EQUITY	4,157,805,010	3,308,351,984	5.6
NCUA INSURED SAVINGS:			
Uninsured Shares	222,991,602	125,038,327	10.2
Uninsured Non-Member Deposit	437,421	660,139	452.9
Tot Uninsured Shares & Deposit	223,429,023	125,698,466	10.5
Insured Shares & Deposits	3,380,208,898	2,743,986,851	4.7

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

FEDERALLY-CHARTERED CREDIT UNIONS

Consolidated Income Statement

(In Actual Numbers)

	December 2001	December 2000	% Change
INCOME AND EXPENSE			
INTEREST INCOME:			
Interest on Loans	207,107,950	201,215,526	2.9
Less Interest Refund	196,958	614,282	-67.9
Income from Investments	58,260,782	54,938,511	6.0
Income from Trading	0	0	
TOTAL INTEREST INCOME	265,171,774	255,539,755	3.8
INTEREST EXPENSE:			
Dividends	132,305,433	127,578,896	3.7
Interest on Deposits	0	0	
Interest on Borrowed Money	395,728	628,992	-37.1
TOTAL INTEREST EXPENSE	132,701,161	128,207,888	3.5
Provision for Loan & Lease Losses	11,140,227	8,906,666	25.1
NET INTEREST INCOME AFTER PLL	121,330,386	118,425,201	2.5
NON INTEREST INCOME:			
Fee Income	26,325,178	23,507,498	12.0
Other Operating Income	11,112,824	9,744,125	14.0
Gain (Loss) on Investments	390,877	-13,185	3064.6
Gain (Loss) on Disposable Assets	46,431	157,210	-70.5
Other Non-Operating Income and Expense	435,818	950,801	-54.2
TOTAL NON-INTEREST INCOME	38,311,128	34,346,449	11.5
NON-INTEREST EXPENSE:			
Employee Compensation and Benefits	62,852,026	57,726,724	8.9
Travel, Conference Expense	1,803,761	1,663,843	8.4
Office Occupancy	8,553,874	7,855,983	8.9
Office Operation Expense	25,911,604	23,935,467	8.3
Educational and Promotion	3,875,276	3,394,276	14.2
Loan Servicing Expense	4,285,692	3,967,554	8.0
Professional, Outside Service	13,395,373	11,888,364	12.7
Member Insurance	1,870,960	2,116,174	-11.6
Operating Fees	823,309	969,034	-15.0
Miscellaneous Operating Expense	2,858,017	2,863,778	-0.2
TOTAL NON-INTEREST EXPENSE	126,229,892	116,381,197	8.5
NET INCOME:	33,411,622	36,390,453	-8.2
RESERVE TRANSFERS:			
Transfer to Regular Reserve	3,150,937	7,872,464	-60.0

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

STATE-CHARTERED CREDIT UNIONS

Credit Union Name	Address	City	Zip	Full-time Emp.	# of Members	Total Assets
A.U.B. EMPLOYEES'	P. O. BOX 689	ATHENS	37303	0	230	784,307
AFG EMPLOYEES	P.O. BOX 929	KINGSPORT	37662	9	3516	14,294,174
ALADDIN EMPLOYEES	703 MURFREESBORO RD.,	NASHVILLE	37210	5	1616	10,011,698
ALLIED PRINTERS/IBEW 846	1740 DAYTON BOULEVARD	CHATTANOOGA	37405	2	1100	4,492,357
AMERICAN SAVINGS	3048 HARVESTER LANE	MEMPHIS	38127	43	19503	45,434,272
AMERICAN UNIFORM	1007 KEITH STREET NW	CLEVELAND	37311	3	2469	7,398,412
APCO EMPLOYEES	2000 TELLICO AVENUE	ATHEN	37303	0	495	1,206,855
APPLIANCE	P. O. OBOX 1057	CLEVELAND	37320	5	2309	6,119,524
AQUA GLASS EMPLS.	320 INDUSTRIAL PARK	ADAMSVILLE	38310	1	716	869,510
AVERITT EXPRESS SAVINGS ASSOCIATION	PO BOX 3166	COOKEVILLE	38502	2	4476	5,426,230
BAPTIST HOSPITAL	2010 CHURCH ST., SUITE 204	NASHVILLE	37203	8	3572	12,387,500
BCBST EMPLOYEES	801 PINE STREET	CHATTANOOGA	37402	3	2225	5,581,432
BETHLEHEM COMMUNITY DEVELOPMENT	P.O. BOX 2131	CHATTANOOGA	37409	2	377	828,535
BLUE FLAME	665 MAINSTREAM DRIVE	NASHVILLE	37228	2	650	2,609,404
BOWATER EMPLOYEES	PO BOX 359	CALHOUN	37309	23	9209	88,349,497
BRISTOL TENNESSEE ELECTRIC SYSTEM	P.O. BOX 549	BRISTOL	37621	0	271	1,035,594
BRISTOL TENNESSEE TEACHER'S	615 EDMONT AVENUE	BRISTOL	37620	1	572	2,476,825
BROCK EMPLOYEES	P.O. BOX 22427	CHATTANOOGA	37422	1	544	1,323,992
CARTA EMPLOYEES'	1617 WILCOX BLVD.	CHATTANOOGA	37406	0	354	721,344
CECO OF MILAN	9159 TELECOM DRIVE	MILAN	38358	0	342	585,926
CEMC EMPLOYEES	P.O. BOX 3300	CLARKSVILLE	37043	0	505	2,782,774
CHATTANOOGA FEDERAL EMPLOYEES	PO BOX 22205	CHATTANOOGA	37422-2205	8	2864	24,996,582
CITY EMPLOYEES	1720 WESTERN AVE	KNOXVILLE	37921	15	5981	44,282,913
CITY EMPLOYEES	100 E 11TH ST ROOM 106	CHATTANOOGA	37402	6	2507	8,538,596
CITY OF MEMPHIS	2608 AVERY AVENUE	MEMPHIS	38112-4896	48	16634	136,269,629
CO-OP EMPLOYEES	PO BOX 3003	LAVERGNE	37086	1	1006	2,740,192
COLLEGEDALE	PO BOX 2098	COLLEGEDALE	37315	15	5871	21,605,900
COLUMBIA REGIONAL	142 BEAR CREEK PIKE	COLUMBIA	38401	6	1896	9,196,335
CONSUMER	311 CCU BLVD	GREENEVILLE	37745	35	25137	115,024,366
COVENANT HEALTH	702 19TH STREET	KNOXVILLE	37916	12	5899	18,905,518
CREDIT UNION FOR ROBERTSON COUNTY	2416 MEMORIAL BLVD	SPRINGFIELD	37172	9	3900	12,278,635
D.H.S.	400 DEADERICK ST	NASHVILLE	37248	5	2634	7,392,662
D.O.T.	SUITE 300 J.K. POLK BLDG	NASHVILLE	37243	3	2009	3,662,113
DIXIE LINE	567 VERITAS STREET	NASHVILLE	37211	4	2021	5,832,061
DREMCO	P O BOX 89	SHELBYVILLE	37162	0	459	2,467,632
DUPONT COMMUNITY	P.O.BOX 1058	HIXSON	37343	30	14949	63,918,393
DUPONT MEMPHIS PLANT EMPLOYEES	P O BOX 27321	MEMPHIS	38167	4	2090	13,152,992
DYERSBURG	P.O. BOX 506	DYERSBURG	38025	6	2345	6,689,268
EASTMAN	P. O. BOX 1989	KINGSPORT	37662	162	51770	1,044,664,213
EDUCATORS	P.O. BOX 120729	NASHVILLE	37212	80	28154	148,829,890
ELECTRIC SERVICE	PO BOX 24117	NASHVILLE	37202	11	3038	36,438,421
EMPLOYEE RESOURCES	P O BOX 987	LAWRENCEBURG	38464	7	3895	16,096,438
EMPLOYEES' CREDIT ASSOCIATION	1415 MURFREESBORO ROAD SUITE 148	NASHVILLE	37202-0731	20	8290	25,726,321

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

Credit Union Name	Address	City	Zip	Full-time Emp.	# of Members	Total Assets
EMPLOYMENT SECURITY	500 JAMES ROBERTSON PKWY, SUITE 730	NASHVILLE	37245	5	2101	12,278,862
EPB EMPLOYEES	1500 MCCALLIE AVENUE	CHATTANOOGA	37404	6	2491	23,631,706
EPCO	P. O. BOX 1219	SHELBYVILLE	37162	38	10144	72,086,527
FIRST KINGSPORT	408 CLAY STREET	KINGSPORT	37660	10	3188	20,524,612
FIRST SOUTH	6471 STAGE ROAD SUITE 200	BARTLETT	38134	103	50899	232,713,500
FREE PRESS	400 EAST 11TH ST	CHATTANOOGA	37403	1	490	2,165,622
FULTON	100 N. 17TH STREET	KNOXVILLE	37921	22	6960	33,656,101
GALLATIN STEAM PLANT	1499 STEAM PLANT ROAD	GALLATIN	37066	1	651	4,818,803
GATE GOURMET EMPLOYEES	5100 POPLAR AVE	MEMPHIS	38137	5	4370	6,431,766
GATEWAY	202 UFFELMAN DRIVE	CLARKSVILLE	37043	5	1737	6,278,158
GREATER EASTERN	2110 MOUNTCASTLE DRIVE	JOHNSON CITY	37604	8	3304	22,825,883
GREENEVILLE CITY EMPLOYEES'	129 CHARLES ST SUITE 3	GREENEVILLE	37743	1	808	3,903,652
GREENEVILLE WORKS EMPLS. SAV. ASSN.	P O BOX 1790	GREENEVILLE	37744-1790	1	505	2,265,426
HAPPY VALLEY	PO BOX 1838	ELIZABETHTON	37644	10	4466	18,541,516
HARDIN COUNTY HOSPITAL EMPLOYEES	2006 WAYNE RD	SAVANNAH	38372	0	259	594,427
HEALTH SYSTEMS	4005 N. BROADWAY	KNOXVILLE	37917	4	1779	5,469,204
HEALTHCARE SERVICES	975 EAST THIRD STREET	CHATTANOOGA	37403	8	3740	10,508,030
HOLLEY	P. O. BOX 398	PARIS	38242	8	3720	12,844,477
HOLLISTON MILLS EMPLOYEES'	PO BOX 478	KINGSPORT	37662	1	373	1,691,655
HOLSTON VALLEY	216 WEST RAVINE ROAD	KINGSPORT	37660-1823	6	3267	9,161,453
HURD EMPLOYEES	P.O. BOX 2157	GREENEVILLE	37744	1	494	2,141,883
ILLINOIS CENTRAL EMPLOYEES	2005 NONCONNAH BLVD. SUITE 7	MEMPHIS	38132-2129	2	1608	5,803,388
INLAND CONTAINER CU	P.O BOX 1795	ELIZABETHTON	37644	1	214	1,333,002
JACK DANIELS EMPLOYEES	PO BOX 199	LYNCHBURG	37352	3	1025	8,319,659
JACKSON CITY AND COUNTY EMPLS.	PO BOX 7625	JACKSON	38302	4	1735	4,153,408
JEFFERSON COUNTY EDUCATORS'	P.O. BOX 1044	DANDRIDGE	37725	0	425	588,726
JOHN DEERE EMPLOYEES	3003 AIRWAYS BLVD., SUITE #709	MEMPHIS	38131	2	681	5,698,954
JOHNSON CITY FEDERAL EMPLOYEES	PO BOX 833	JOHNSON CITY	37605-0833	0	119	358,119
JOHNSONVILLE TVA EMPLOYEES	209 HWY 641 NORTH	CAMDEN	38320	18	6468	36,864,663
KIMBERLY CLARK	1520 N SECOND STREET	MEMPHIS	38107	25	9691	63,719,512
KINGSPORT PRESS CU	528 W. CENTER STREET	KINGSPORT	37660	20	7348	35,445,020
KINGSTON TVA EMPLOYEES	714 SWAN POND RD.	HARRIMAN	37748	1	808	2,546,547
KNOX CO. EMPLOYEES	400 MAIN AVE ROOM 355	KNOXVILLE	37902	4	1819	6,554,384
KNOXVILLE NEWS-SENTINEL EMPLOYEES	PO BOX 59038	KNOXVILLE	37950	3	796	7,567,219
KNOXVILLE POST OFFICE	POB 12779	KNOXVILLE	37912	22	6719	32,075,829
KNOXVILLE TVA EMPLOYEES	301 WALL AVENUE	KNOXVILLE	37901	161	66342	355,141,046
L.M.P.C.O. EMPLOYEES CREDIT ASSN.	119 HAMLETT STREET	LEXINGTON	38351	1	1112	1,086,664
LAKE SIDE EMPLS.	1008 BROADWAY AVENUE	NEW JOHNSONVILL	37134	14	3656	31,934,562
LANGSTON BAG CO. EMPLS. SAV. ASSN.	P. O. BOX 60	MEMPHIS	38101	0	66	37,264
LEADERS	P.O. BOX 3548	JACKSON	38303-3548	25	12489	47,456,097
LEAGUE CENTRAL	P. O. BOX 3658	CHATTANOOGA	37404	21	12192	23,594,648
LEON-FERENBACH EMPLOYEES	P.O. BOX 450	JOHNSON CITY	37605-0450	0	76	101,252

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

Credit Union Name	Address	City	Zip	Full-time Emp.	# of Members	Total Assets
LIFEWAY	127 NINTH AVENUE, NORTH	NASHVILLE	37234	8	2965	25,007,961
LOWLAND	1045 S. CUMBERLAND STREET	MORRISTOWN	37813	26	10374	44,661,865
M.P.D. EMPLOYEES	306 GAY ST. STE 105	NASHVILLE	37201	5	2011	8,717,428
MADISON COUNTY IND. PARK CRE. ASSN.	378-F CARRIAGE HOUSE DRIVE	JACKSON	38305	2	1693	2,117,393
MARYVILLE MUNICIPAL	321 W BROADWAY AVE	MARYVILLE	37801	2	1164	6,737,677
MAURY EDUCATORS'	5021 B-1 TROTWOOD AVENUE	COLUMBIA	38401	6	1766	6,775,543
MAURY PROGRESSIVE	P.O. BOX 1879	COLUMBIA	38402-1879	4	1664	5,344,889
MCKEE BAKING CO. EMPLOYEES	P.O. BOX 3301	COLLEGE DALE	37315	7	4872	11,768,618
MCNAIRY CO. EDUCATIONAL	P.O. BOX 412	SELMER	38375	0	252	247,392
MCQUIDDY	711 SPENCE LN.	NASHVILLE	37217	0	83	208,186
MEDEO	205 HAYES STREET	CROSSVILLE	38555	6	1954	8,627,139
MEDICAL CENTER	408 N. STATE OF FRANKLIN ROAD	JOHNSON CITY	37604	9	3271	7,508,076
MEMORIAL	1317 HICKORY VALLEY ROAD	CHATTANOOGA	37421	8	3608	8,391,166
MEMPHIS AREA TEACHERS'	7845 HIGHWAY 64	MEMPHIS	38133	172	69598	399,910,729
MEMPHIS PUBLISHING CO. EMPLOYEES'	495 UNION AVENUE	MEMPHIS	38103	4	1392	10,071,367
METRO EMPLOYEES	89 HERMITAGE AVE.	NASHVILLE	37210	7	3129	11,875,107
METROPOLITAN TEACHERS	1605 JEFFERSON STREET	NASHVILLE	37208	0	906	2,287,663
N M H CREDIT UNION	3443 DICKERSON RD	NASHVILLE	37207	5	2294	12,234,614
N.G.H.	1818 ALBION STREET	NASHVILLE	37208	8	1990	6,195,345
NASHVILLE FIREMEN'S	P O BOX 60567	NASHVILLE	37206	5	1695	9,513,031
NASHVILLE POST OFFICE	P.O. BOX 291233	NASHVILLE	37229	18	4993	65,467,527
NEWSPAPER AND PRINTERS	1100 BROADWAY	NASHVILLE	37203	1	779	2,565,362
NORTHEAST COMMUNITY	980 WEST E ST.	ELIZABETHTON	37643	18	6371	28,996,742
O.M.C. EMPLOYEES'	P O BOX 248	CHARLESTON	37310	2	1806	21,593,788
OLAN MILLS SAVINGS ASSOCIATION	4325 AMNICOLA HIGHWAY-P.O. BOX 2345	CHATTANOOGA	37422	2	1189	5,041,508
OLD HICKORY	P.O. BOX 431	OLD HICKORY	37138	88	27355	129,956,397
OLIVET BAPTIST	3084 SOUTHERN AVENUE	MEMPHIS	38111	0	891	171,583
P.I.A.S.	P O BOX 100310	NASHVILLE	37224	4	3246	5,478,832
PARCEL EMPLOYEES	3385 AIRWAYS BLVD. SUITE 133	MEMPHIS	38116	4	2620	7,428,755
PARKRIDGE	P.O. BOX 3146	CHATTANOOGA	37404	2	832	3,064,567
PATHWAY	P.O. BOX 2035	CLEVELAND	37311	2	1083	2,728,739
PEOPLES CHOICE	1500 SOUTH FIRST STREET	UNION CITY	38261	8	3609	13,391,205
PORTER-CABLE EMPLOYEES	PO BOX 2468	JACKSON	38302	2	810	1,558,280
POSTAL EMPLOYEES OF JACKSON	57 DIRECTORS ROW	JACKSON	38305	10	3328	20,500,577
POSTAL EMPLOYEES	584 SOUTH THIRD ST	MEMPHIS	38126	11	2981	19,916,092
PRC EMPLOYEES CREDIT ASSN.	100 PLUMLEY DRIVE	PARIS	38242	2	1085	1,280,339
ROHM AND HAAS EMPLOYEES	P.O. BOX 591	KNOXVILLE	37901	0	1049	11,835,542
SIGNAL CEMENT WORKERS	1201 SUCK CREEK RD.	CHATTANOOGA	37405	1	484	2,297,757
SMITH & NEPHEW EMPLOYEES	1450 E BROOKS ROAD	MEMPHIS	38116	4	1619	7,459,717
SOUTHEAST FINANCIAL	P. O. BOX 6000	BRENTWOOD	37024-6000	80	30095	177,252,219
SOUTHERN	P.O. BOX 3490	CHATTANOOGA	37404	8	3502	16,164,887
SOUTHERN RAILWAY EMPLOYEES	3261 NORTH MALL RD	KNOXVILLE	37924	5	1818	12,744,216
ST. THOMAS HOSPITAL EMPLOYEES	111 BOSLEY SPRING RD, SUITE 101	NASHVILLE	37205	5	2626	12,395,374
SULLIVAN COUNTY EMPLOYEES	3306 HIGHWAY 126	BLOUNTVILLE	37617	6	2309	12,251,337

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

Credit Union Name	Address	City	Zip	Full-time Emp.	# of Members	Total Assets
TENNESSEE DEPARTMENT OF SAFETY	1150 FOSTER AVENUE	NASHVILLE	37249	2	1504	5,627,218
TENNESSEE PAPER MILLS EMP	1740 DAYTON BOULEVARD	CHATTANOOGA	37405	1	458	3,832,214
TENNESSEE TEACHERS	P. O. BOX 22881	NASHVILLE	37203	85	30682	198,022,725
THE SAINTS	6005 PARK AVE SUITE 104	MEMPHIS	38119	2	1722	2,970,448
TOP-O-RING EMPLOYEES	104 HARTMANN DR	LEBONON	37087	0	287	827,149
U. S. COURTHOUSE	PO BOX 25047	NASHVILLE	37202	31	13395	77,289,529
U. S. T. C. EMPLOYEES	800 HARRISON STREET	NASHVILLE	37203	0	273	614,881
VANDERBILT UNIVERSITY EMPLOYEES	1313 21ST AVE S ROOM 107 OXFORD HOU	NASHVILLE	37212	6	5248	12,779,192
WCG EMPLOYEES	P.O. BOX 284	MARTIN	38237	0	280	579,066
WILLIS CORROON	26 CENTURY BOULEVARD, SUITE 101	NASHVILLE	37214	3	3353	8,355,479
YAT EMPLOYEES	100 YALE AVE	LENOIR CITY	37771	2	970	3,645,716

TENNESSEE DEPARTMENT OF
FINANCIAL INSTITUTIONS



COMPLIANCE DIVISION

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLIANCE DIVISION

I. OVERVIEW

The **COMPLIANCE DIVISION** is responsible for the licensing and regulatory supervision of the following seven types of financial institutions operating in Tennessee:

- Check Cashing
- Deferred Presentment Service Companies
- Money Transmitters
- Industrial Loan & Thrift Companies
- Insurance Premium Finance Companies
- Residential Mortgage Lenders, Brokers, and Servicers

With the development of a comprehensive examination program, all of the above industries are subject to periodic examinations by the Division's field examiners. The Compliance Division's examinations are designed to test and enforce compliance with Tennessee laws as well as Federal regulations. These laws were written in order to protect the consumer by limiting the amount of interest, loan charges, and insurance charges that can be assessed to them.

The field examiners also investigate consumer complaints and allegations of consumer fraud and usury. The Division's staff is also responsible for investigating consumer complaints involving title pledge lenders and reports of inadequate or inaccurate disclosures given to consumers by these title pledge lenders.

II. CHECK CASHING COMPANIES

The activities of Check Cashing Companies are governed by "The Check Cashing Act of 1997", codified as T.C.A. Title 45, Chapter 18. Retailers who cash checks incidental to their retail operations are exempt from the Act if their compensation for cashing checks does not exceed five percent (5%) of their gross receipts. See T.C.A. § 45-18-103(5).

A. Licensing

To obtain a check cashing license, an applicant must maintain a net worth of at least \$25,000 and demonstrate sufficient character and experience to command the confidence of the public and warrant the belief that the applicant will operate its business lawfully and fairly. There were one hundred seventy-nine (179) approved check cashing applications for the year ending December 31, 2001 and three hundred-nine (309) active check cashers licenses.

B. Examinations

Examinations of licensed check cashers are conducted pursuant to T.C.A. § 45-18-113. During the calendar year 2001 the Division conducted two hundred thirty-five (235) exams of licensed check cashing companies. These exams resulted in fifty-six (56) customers receiving refunds totaling three hundred sixty-two dollars (\$362). There were six (6) civil money penalties assessed for a total of \$4500.00

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III. DEFERRED PRESENTMENT SERVICE COMPANIES

A. Licensing

During the calendar year 2001, the Department approved 151 applications. Companies with branch offices must obtain a license for each location from which such business is conducted. As of December 31, 2001, there were 1016 active licenses.

B. Examinations

For the year ending December 31, 2001, this Division conducted 978 examinations of deferred presentment offices. Typically, compliance examiners review a random sample of the licensee's transactions by reviewing the fees charged and the disclosures given to the customers.

Licensees were required to refund all excessive or unauthorized fees pursuant to T.C.A. § 45-17-115, resulting in total refunds of \$90,551 to 866 customer accounts. The Department took administrative action against one (1) company by assessing a civil money penalty of \$200.00

C. Annual Report Information

By September 1st of each year, each licensee must, pursuant to T.C.A. § 45-17-119, file with the Commissioner of Financial Institutions an Annual Report covering the licensee's business activities as of the close of business on June 30. These reports include a balance sheet, statement of income and expense, as well as other statistical data consistent with generally accepted accounting principles.

The following tabulation represents aggregate information from reports filed by 447 companies with 569 branch offices. The Department did not require an annual report from companies opened after June 2001:

Total Assets	\$100,180,527
Total Liabilities	\$ 30,163,531
Net Worth	\$ 80,662,982

Total assets of the average sized company operating in Tennessee are \$224,118.00. We have twenty-four (24) companies with assets in excess of \$500,000.00 and one hundred-sixty (160) with assets of between \$100,00.00 and \$500,00.00. The remaining companies have assets under \$100,000.

INCOME INFORMATION FOR 12 MONTHS ENDED JUNE 30, 2001

The following information was compiled from the statements of income and expenses for the period of July 1, 2000 to June 30, 2001:

Total Operating Income	\$118,434,260
Salary Expense	\$ 29,599,744
Bad Debt Expense	\$ 9,054,277
Net Income (After Tax)	\$ 11,084,031

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Of the four hundred forty-seven (447) reporting companies, ninety-seven (97) reported operating losses and twenty-eight (28) reported net income of over \$100,000.00 for the period ending June 30, 2001. The average company made a profit of \$24,796.00.

Salaries are a major company expense, amounting to approximately twenty-five (25%) of total operating income. The average salary expense for each company is \$53,675.00.

Losses on receivables constitute another major industry expense. Bad debt expense represented approximately 7.6% of total operating income.

TRANSACTIONAL DATA

Number of Receivable Transactions	2,939,164
Dollar Amount of Transactions during the Year	\$532,225,217
Average Size of Receivable Transactions	\$ 181.08

Number of Transactions by Size of Check:

\$ 1 - \$150	492,751
\$ 151 - \$250	2,392,134
\$ 251 - \$500	54,279

IV. MONEY TRANSMITTERS

The activities of Money Transmitter companies are governed by "The Tennessee Money Transmitter Act of 1994", codified as T.C.A. Title 45, Chapter 7. There are exemptions that apply to certain government agencies, as well as business organizations. See T.C.A. § 45-7-204.

A. Licensing

Each applicant for a license must demonstrate, and each licensee must maintain, a net worth of not less than \$100,000.00 computed according to generally accepted accounting principles. Persons transmitting, or proposing to transmit, money shall have an additional net worth of \$25,000.00 per additional location or agent located in Tennessee, as applicable, to a maximum of \$500,000.00. The applicant must demonstrate such experience, character, and general fitness as to command the confidence of the public and warrant the belief that the business to be operated thereunder will be operated lawfully and fairly. As of December 31, 2001, we had licenses for 36 companies.

A. Examinations

Examinations of money transmitters are conducted pursuant to T.C.A. § 45-7-214. The Commissioner in lieu of an on-site examination, may accept the examination report of an agency of another state, or a

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report prepared by an independent accounting firm, and reports so accepted are considered, for all purposes, as an official report of the Commissioner.

V. INDUSTRIAL LOAN AND THRIFT COMPANIES

Consumer loan companies operate under The Industrial Loan and Thrift Companies Act, codified as T.C.A. Title 45, Chapter 5. The stated purpose of the Act is to allow citizens to have the services of regulated lending institutions at rates and charges reasonably commensurate with economic realities. This Act authorizes those companies that obtain a certificate of registration to charge rates and fees somewhat higher than what may be charged under the State's General Usury statutes. While the Act allows higher interest rates, it also contains many consumer protection provisions particularly with respect to loan charges. In 2001, there was legislation enacted that requires companies licensed under this Act to secure bonding for the first time. The bonding requirements are as follows: If the applicant proposes to make loans secured by a mortgage, the surety bond or letter of credit shall be in the amount of two hundred thousand dollars (\$200,000). For all other applicants, the bond or letter of credit shall be in the amount of fifty thousand dollars (\$50,000). Only one (1) bond or letter of credit is required for any registrant, irrespective of the number of employees or offices of such registrant.

A. Registration

To obtain a certificate of registration, an applicant must maintain a net worth of at least \$25,000.00 and demonstrate sufficient character to command the confidence of the public and warrant the belief that the applicant will operate its business lawfully and fairly. At the end of year 2001, there were 772 locations licensed under the Act.

B. Examinations

We conducted 510 examinations resulting in refunds of \$425,319.62 to 3,397 consumers. We examined 66% of the licensed locations. Special examinations were conducted frequently as a result of complaints filed with the Department.

C. Complaints

There were 50 complaints filed and resolved in 2001. A total of \$60,962.59 was refunded to consumers because of these complaints. Out of the 50 total complaints, 10 of these involved pay history disputes, delinquent credit reporting or late charges. Four (4) involved credit insurance issues. Out of the total amount refunded, one company accounted for over \$50,000.

D. Annual Report Information

Pursuant to T.C.A. § 45-5-503, each registrant must file with the Commissioner by no later than July 31st of each year, an annual report showing basic financial information as to the registrants operations. The information in the following Exhibits were derived from those reports covering the time period of January 1, 2000 – December 31, 2000.

- i. Industrial Loan & Thrift Companies with loans less than \$300.00
- ii. Industrial Loan & Thrift Companies with loans greater than \$300.00
- iii. Industrial Loan & Thrift Companies Composite Annual Report

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INDUSTRIAL LOAN AND THRIFT COMPANIES

Composite Annual Report

Year Ending December 31, 2000

	December 31, 2000	December 31, 1999
Number of Offices Included in this Report	752	604
Number of Employees in State at Year-end	5,507	2,161

REGULATED ENTITIES PROFIT PERCENTAGE

RATE OF RETURN

Average Net Receivable	\$2,114,442,389	\$1,768,944,526
Net Income	\$55,846,095	\$10,224,223
Rate of Return	2.64%	0.58%

ANALYSIS OF CHARGES ON LOANS

Charges Collected and/or Earned	\$502,518,438	\$388,987,083
Average Monthly Rate Collected	1.98%	1.83%

ANALYSIS OF EXPENSE PER ACCOUNT

Average Number of Accounts Outstanding	465,792	455,818
Total Expenses	\$464,591,915	\$378,762,860
Average Monthly Expense Per Account	\$83.12	\$69.25

STATEMENT OF INCOME AND EXPENSES

Total Operating Income	\$567,535,811	\$388,987,083
Total Expenses Before Income Taxes	\$464,591,915	\$386,627,023
Income Before Income Taxes	\$102,943,896	\$12,360,060

OTHER INFORMATION

Number of Loans Made During the Year	828,313	801,440
Dollar Volume of Loans Made During the Year	\$2,051,233,222	\$1,665,512,084
Bad Debts	\$87,561,073	\$65,884,719
Bad Debts - Number of Accounts	55,254	47,607

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INDUSTRIAL LOAN AND THRIFT COMPANIES

Loans Less Than \$300

Year Ending December 31, 2000

	December 31, 2000	December 31, 1999
Number of Offices Included in this Report	24	20
Number of Employees in State at Year-end	80	76

REGULATED ENTITIES PROFIT PERCENTAGE

RATE OF RETURN

Average Net Receivable	\$4,370,858	\$4,006,022
Net Income	\$941,550	728,077
Rate of Return	21.54%	18.18%

ANALYSIS OF CHARGES ON LOANS

Charges Collected and/or Earned	\$3,964,257	\$4,811,726
Average Monthly Rate Collected	7.56%	10.00%

ANALYSIS OF EXPENSE PER ACCOUNT

Average Number of Accounts Outstanding	26,673	26,841
Total Expenses	\$4,796,942	\$4,083,649
Average Monthly Expense Per Account	\$14.99	\$12.68

STATEMENT OF INCOME AND EXPENSES

Total Operating Income	\$5,846,333	\$4,811,726
Total Expenses Before Income Taxes	\$4,796,942	\$4,027,374
Income Before Income Taxes	\$1,049,391	\$784,352

OTHER INFORMATION

Number of Loans Made During the Year	153,732	174,578
Dollar Volume of Loans Made During the Year	\$32,303,257	\$31,207,237
Bad Debts	\$883,993	\$718,740
Bad Debts - Number of Accounts	6,223	5,419

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INDUSTRIAL LOAN AND THRIFT COMPANIES

Loans Greater Than \$300

Year Ending December 31, 2000

	December 31, 2000	December 31, 1999
Number of Offices Included in this Report	728	584
Number of Employees in State at Year-end	5,427	2,085

REGULATED ENTITIES PROFIT PERCENTAGE

RATE OF RETURN

Average Net Receivable	\$2,110,071,531	\$1,764,938,504
Net Income	\$54,904,545	\$9,496,146
Rate of Return	2.60%	0.54%

ANALYSIS OF CHARGES ON LOANS

Charges Collected and/or Earned	\$498,554,181	\$384,175,357
Average Monthly Rate Collected	1.97%	1.81%

ANALYSIS OF EXPENSE PER ACCOUNT

Average Number of Accounts Outstanding	439,119	428,977
Total Expenses	\$459,794,973	\$374,679,211
Average Monthly Expense Per Account	\$87.26	\$72.79

STATEMENT OF INCOME AND EXPENSES

Total Operating Income	\$561,689,478	\$384,175,357
Total Expenses Before Income Taxes	\$459,794,973	\$382,599,649
Income Before Income Taxes	\$101,894,505	\$11,575,708

OTHER INFORMATION

Number of Loans Made During the Year	674,581	626,862
Dollar Volume of Loans Made During the Year	\$2,018,929,965	\$1,634,304,847
Bad Debts	\$86,677,080	\$65,165,979
Bad Debts - Number of Accounts	49,031	42,188

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VI. INSURANCE PREMIUM FINANCE COMPANIES

The activities of Premium Finance Companies are governed by the "Premium Finance Company Act of 1980", codified as T.C.A. Title 56, Chapter 37. "Premium Finance Company" means a person engaged in the business of entering into premium finance agreements or acquiring premium finance agreements from other premium finance companies. "Premium finance agreement" means an agreement by which an insured, or prospective insured, promises to pay to a premium finance company the amount advanced, or to be advanced under the agreement to an insurer or to an insurance agent or producing agent in payment of premiums of an insurance contract, together with interest and a service charge as authorized and limited by this Chapter.

A. Registration

To obtain a license, an applicant must, pursuant to T.C.A. § 56-37-104(b), be competent and trustworthy, act in good faith, have a good business reputation, experience, training or education in this business. Furthermore, if the applicant is a foreign or domestic corporation, LLC, or limited partnership, it must be authorized to conduct business in this state. At the end of the year 2001, there were 76 companies licensed under the Act.

B. Examinations

We conducted 11 examinations in 2001, representing 15% of the licensed offices located in Tennessee.

C. Complaints

No consumer complaints were received on Premium Finance Companies in the year 2001.

VII. RESIDENTIAL MORTGAGE LENDERS, BROKERS, AND SERVICERS

The activities of Residential Mortgage Lending, Brokering, and Servicing companies are governed by the "Tennessee Residential Lending, Brokerage and Servicing Act of 1988", codified as T.C.A. Title 45, Chapter 13. T.C.A. § 45-13-103(a) expands this further by stating "no person shall engage in the business of making mortgage loans, nor shall any person engage in the business of being a mortgage loan broker in this state, nor shall any person engage in the business of being a mortgage loan servicer in this state, without first obtaining a license from the Commissioner of filing a registration statement under this Chapter". Certain companies may be exempt under criteria explained in T.C. A. § 45-13-103. In 2001, legislation was passed that increased the bonding requirements on mortgage companies licensed to do business in the state. If the applicant proposes to make or service mortgage loans, the surety bond or irrevocable letter of credit shall be in the amount of two hundred thousand dollars (\$200,000). For all applicants whose activities are limited to the brokering of mortgage loans, the surety bond or irrevocable letter of credit shall be in the amount of ninety thousand dollars (\$90,000). Only one (1) bond or letter of credit is required for any licensee, irrespective of the number of employees or offices of such licensee.

A. Registration

To obtain a certificate of registration, an applicant must maintain a net worth of at least \$25,000.00 and demonstrate sufficient character to command the confidence of the public and warrant the belief that the

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applicant will operate its business lawfully and fairly. At the end of year 2001, there were 1,066 companies licensed under the Act with 490 branches.

B. Examinations

We conducted 63 examinations resulting in refunds of \$26,755.95 to consumers. We examined 5.72% of the licensed companies.

C. Complaints

There were 117 complaints filed and resolved in the year 2001. Of the total number of complaints, 27 involved appraisals either going unpaid or refunds due to the customer. There were 28 complaints involving account servicing or escrow issues. There were numerous issues involving alleged misrepresentation of interest rates and Real Estate Settlement and Procedures Act violations. As a result of these complaints, consumers of the state were refunded a total of \$36,359.